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ANNUAL STATEMENT

For the Year Ended December 31, 2014

of the Condition and Affairs of the

Maine Employers' Mutual Insurance Company

NAIC Group Code.....1332, 1332 (Current Period) (Prior Period) | NAIC Company Code..... 11149 | Employer's ID Number..... 01-0476508

Organized under the Laws of Maine | State of Domicile or Port of Entry Maine | Country of Domicile US

Incorporated/Organized..... November 13, 1992 | Commenced Business..... January 1, 1993

Statutory Home Office	261 Commercial Street….. Portland ..... ME ..... US ..... 04101 (Street and Number) (City or Town, State, Country and Zip Code)	
Main Administrative Office	261 Commercial Street….. Portland ..... ME ..... US..... 04101 (Street and Number) (City or Town, State, Country and Zip Code)	207-791-3300 (Area Code) (Telephone Number)
Mail Address	261 Commercial Street, PO Box 11409….. Portland ..... ME ..... US ..... 04101 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	261 Commercial Street….. Portland ..... ME ..... US ..... 04101 (Street and Number) (City or Town, State, Country and Zip Code)	207-791-3300 (Area Code) (Telephone Number)
Internet Web Site Address	WWW.MEMIC.COM	
Statutory Statement Contact	Eileen M Fongemie (Name)	207-791-3330 (Area Code) (Telephone Number) (Extension)
	efongemie@memic.com (E-Mail Address)	207-791-3469 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. John Thomas Leonard	President & CEO	2. Daniel Joseph McGarvey	Sr Vice-Pres CFO & Treasurer
3. Michael Peter Bourque	Sr Vice-Pres External Affairs, Secretary	4.	

OTHER

Gary Richard Baxter	Sr Vice-Pres & Chief Info Officer	Donald Vernon Hale	Sr Vice-Pres Underwriting
Catherine Flaherty Lamson	Sr Vice-Pres & Chief Admin Officer	John Francis Marr	Sr Vice-Pres Claims
Gregory Grant Jamison	Vice-Pres Underwriting	Jeffrey David Funk	Vice-Pres Underwriting
Edward Lucas Austin III #	Vice-Pres Underwriting	Karl Van Siegfried	Vice-Pres Loss Control
Matthew Howard Harmon	Vice-Pres Claims Operations	Daniel Gordon Smith	Vice-Pres Claims Operations

DIRECTORS OR TRUSTEES

John Thomas Leonard	Mary Jane Sheehan	Gregory William Boulos #	Meredith Nancy Strang Burgess #
Katherine Maxim Greenleaf	Jolan Force Ippolito	David Mark Labbe	Sara Catherine Longley
Lance Avery Smith			

State of........ Maine
County of..... Cumberland

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
John Thomas Leonard	Daniel Joseph McGarvey	Michael Peter Bourque
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President & CEO	Sr Vice-Pres CFO & Treasurer	Sr Vice-Pres External Affairs, Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This ________ day of ______________ 2015

a. Is this an original filing? Yes [X] No [ ]
b. If no
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Year 1 Assets	Current Year 2 Nonadmitted Assets	Current Year 3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	457,618,093		457,618,093	453,769,102
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	
2.2 Common stocks	258,416,690		258,416,690	234,259,888
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $..........0 encumbrances)			0	
4.2 Properties held for the production of income (less $..........0 encumbrances)			0	
4.3 Properties held for sale (less $..........0 encumbrances)			0	
5. Cash ($.....8,973,272, Schedule E-Part 1), cash equivalents ($..........0, Schedule E-Part 2) and short-term investments ($.....3,810,231, Schedule DA)	12,783,503		12,783,503	12,441,438
6. Contract loans (including $..........0 premium notes)			0	
7. Derivatives (Schedule DB)			0	
8. Other invested assets (Schedule BA)	18,368,663		18,368,663	14,444,503
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets (Schedule DL)			0	
11. Aggregate write-ins for invested assets	14,141,709	0	14,141,709	11,943,910
12. Subtotals, cash and invested assets (Lines 1 to 11)	761,328,658	0	761,328,658	726,858,841
13. Title plants less $..........0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	4,477,917		4,477,917	4,736,792
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	7,283,024	1,126,246	6,156,778	5,221,398
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..........0 earned but unbilled premiums)	39,287,433	59,276	39,228,157	37,760,684
15.3 Accrued retrospective premiums			0	11,914
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	761,154		761,154	374,246
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon	5,639,115		5,639,115	3,341,874
18.2 Net deferred tax asset	11,427,134		11,427,134	12,973,187
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	941,337	183,697	757,640	673,795
21. Furniture and equipment, including health care delivery assets ($..........0)	3,369,057	3,369,057	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	1,200,959	544,980	655,979	3,663,639
24. Health care ($..........0) and other amounts receivable			0	
25. Aggregate write-ins for other than invested assets	1,497,432	1,497,432	0	5,196
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	837,213,220	6,780,688	830,432,532	795,621,566
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTALS (Lines 26 and 27)	837,213,220	6,780,688	830,432,532	795,621,566

DETAILS OF WRITE-INS

	1	2	3	4
1101. Other investment in mutual funds	14,141,709		14,141,709	11,943,883
1102. Bond factor adjustment			0	27
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	14,141,709	0	14,141,709	11,943,910
2501. Equities in pools			0	5,196
2502. Prepaids and other assets	1,497,432	1,497,432	0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	1,497,432	1,497,432	0	5,196

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	293,646,012	289,579,456
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)		
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	41,241,516	36,669,392
4.	Commissions payable, contingent commissions and other similar charges	5,491,871	6,046,445
5.	Other expenses (excluding taxes, licenses and fees)	23,681,828	21,844,415
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	1,768,217	1,920,165
7.1	Current federal and foreign income taxes (including $..........0 on realized capital gains (losses))		
7.2	Net deferred tax liability		
8.	Borrowed money $..........0 and interest thereon $..........0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of $.....947,604 and including warranty reserves of $..........0 and accrued accident and health experience rating refunds including $..........0 for medical loss ratio rebate per the Public Health Service Act)	65,822,466	64,146,968
10.	Advance premium	1,424,820	857,094
11.	Dividends declared and unpaid:		
	11.1 Stockholders		
	11.2 Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	777,035	722,899
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others	2,189,147	2,284,517
15.	Remittances and items not allocated		
16.	Provision for reinsurance (including $...........0 certified) (Schedule F, Part 8)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates		
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes $...........0 and interest thereon $..........0		
25.	Aggregate write-ins for liabilities	531,215	667,883
26.	Total liabilities excluding protected cell liabilities (Lines 1 through 25)	436,574,127	424,739,234
27.	Protected cell liabilities		
28.	Total liabilities (Lines 26 and 27)	436,574,127	424,739,234
29.	Aggregate write-ins for special surplus funds	0	0
30.	Common capital stock		
31.	Preferred capital stock		
32.	Aggregate write-ins for other than special surplus funds	2,018,100	1,961,121
33.	Surplus notes		
34.	Gross paid in and contributed surplus	3,180,808	3,181,585
35.	Unassigned funds (surplus)	388,659,497	365,739,626
36.	Less treasury stock, at cost:		
	36.1 ....0.000 shares common (value included in Line 30 $..........0)		
	36.2 ....0.000 shares preferred (value included in Line 31 $..........0)		
37.	Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	393,858,405	370,882,332
38.	TOTALS (Page 2, Line 28, Col. 3)	830,432,532	795,621,566

DETAILS OF WRITE-INS

2501.	Provision for contingent losses of subsidiary	531,215	667,883
2502.			
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	531,215	667,883
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0
3201.	Deferred unrealized gains on bonds transferred to subsidiaries	2,018,100	1,961,121
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page	0	0
3299.	Totals (Lines 3201 thru 3203 plus 3298) (Line 32 above)	2,018,100	1,961,121

STATEMENT OF INCOME

		1 Current Year	2 Prior Year
	UNDERWRITING INCOME		
1.	Premiums earned (Part 1, Line 35, Column 4)	139,421,100	129,123,653
	DEDUCTIONS		
2.	Losses incurred (Part 2, Line 35, Column 7)	84,584,947	81,819,407
3.	Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	18,423,162	15,939,872
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	31,172,463	32,321,907
5.	Aggregate write-ins for underwriting deductions	0	0
6.	Total underwriting deductions (Lines 2 through 5)	134,180,572	130,081,186
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	5,240,528	(957,533)
	INVESTMENT INCOME		
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	19,307,149	19,924,139
10.	Net realized capital gains (losses) less capital gains tax of $.....3,464,974 (Exhibit of Capital Gains (Losses))	10,149,014	4,806,433
11.	Net investment gain (loss) (Lines 9 + 10)	29,456,163	24,730,572
	OTHER INCOME		
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered $.....157,815 amount charged off $.....261,081)	(103,266)	(277,742)
13.	Finance and service charges not included in premiums	193,150	194,566
14.	Aggregate write-ins for miscellaneous income	(5,000)	(12,500)
15.	Total other income (Lines 12 through 14)	84,884	(95,676)
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	34,781,575	23,677,363
17.	Dividends to policyholders	18,006,331	16,000,000
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	16,775,244	7,677,363
19.	Federal and foreign income taxes incurred	(1,543,402)	313,819
20.	Net income (Line 18 minus Line 19) (to Line 22)	18,318,646	7,363,544
	CAPITAL AND SURPLUS ACCOUNT		
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	370,882,332	336,047,889
22.	Net income (from Line 20)	18,318,646	7,363,544
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of $.....194,622	7,855,962	21,923,987
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax	(1,351,431)	775,497
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Column 3)	(1,903,306)	3,537,136
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)		
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
	32.1 Paid in		
	32.2 Transferred from surplus (Stock Dividend)		
	32.3 Transferred to surplus		
33.	Surplus adjustments:		
	33.1 Paid in	(777)	(15,303)
	33.2 Transferred to capital (Stock Dividend)		
	33.3. Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders		
36.	Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus	56,979	1,249,582
38.	Change in surplus as regards policyholders for the year (Lines 22 through 37)	22,976,073	34,834,443
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	393,858,405	370,882,332

DETAILS OF WRITE-INS

0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page	0	0
0599.	Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0
1401.	Other expense	(5,000)	(12,500)
1402.			
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	(5,000)	(12,500)
3701.	Deferred unrealized gains on bonds transferred to subsidiaries	56,979	1,249,582
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page	0	0
3799.	Totals (Lines 3701 thru 3703 plus 3798) (Line 37 above)	56,979	1,249,582

CASH FLOW

		1 Current Year	2 Prior Year
	CASH FROM OPERATIONS		
1.	Premiums collected net of reinsurance	139,142,387	131,044,964
2.	Net investment income	21,383,126	22,359,523
3.	Miscellaneous income	84,885	(95,677)
4.	Total (Lines 1 through 3)	160,610,398	153,308,810
5.	Benefit and loss related payments	80,905,300	79,354,198
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	45,944,811	43,513,037
8.	Dividends paid to policyholders	18,006,331	15,998,926
9.	Federal and foreign income taxes paid (recovered) net of $.....3,464,974 tax on capital gains (losses)	4,218,813	6,472,791
10.	Total (Lines 5 through 9)	149,075,255	145,338,952
11.	Net cash from operations (Line 4 minus Line 10)	11,535,143	7,969,858
	CASH FROM INVESTMENTS		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	69,375,192	91,543,970
	12.2 Stocks	29,681,567	12,453,557
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds		
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	99,056,759	103,997,527
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	87,024,482	93,917,938
	13.2 Stocks	20,630,403	15,872,242
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets	3,712,233	
	13.6 Miscellaneous applications		
	13.7 Total investments acquired (Lines 13.1 to 13.6)	111,367,118	109,790,180
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	(12,310,359)	(5,792,653)
	CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes		
	16.2 Capital and paid in surplus, less treasury stock	(777)	(15,303)
	16.3 Borrowed funds		
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		
	16.5 Dividends to stockholders		
	16.6 Other cash provided (applied)	1,118,058	(3,127,962)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	1,117,281	(3,143,265)
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	342,065	(966,060)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	12,441,438	13,407,498
	19.2 End of year (Line 18 plus Line 19.1)	12,783,503	12,441,438

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001	Non-cash capital contribution of bonds to subsidiaries	(13,818,544)	(15,640,895)
20.0002	Non-cash capital contribution of property to subsidiaries	(3,712,233)	(2,106,778)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

	Line of Business	1 Net Premiums Written per Column 6, Part 1B	2 Unearned Premiums December 31 Prior Year- per Col. 3, Last Year's Part 1	3 Unearned Premiums December 31 Current Year- per Col. 5, Part 1A	4 Premiums Earned During Year (Cols. 1 + 2 - 3)
1.	Fire				0
2.	Allied lines				0
3.	Farmowners multiple peril				0
4.	Homeowners multiple peril				0
5.	Commercial multiple peril				0
6.	Mortgage guaranty				0
8.	Ocean marine				0
9.	Inland marine				0
10.	Financial guaranty				0
11.1	Medical professional liability - occurrence				0
11.2	Medical professional liability - claims-made				0
12.	Earthquake				0
13.	Group accident and health				0
14.	Credit accident and health (group and individual)				0
15.	Other accident and health				0
16.	Workers' compensation	140,746,430	63,974,082	65,655,242	139,065,270
17.1	Other liability - occurrence	2,504	183	(6)	2,693
17.2	Other liability - claims-made	360,902	159,465	167,230	353,137
17.3	Excess workers' compensation				0
18.1	Products liability - occurrence				0
18.2	Products liability - claims-made				0
19.1, 19.2	Private passenger auto liability				0
19.3, 19.4	Commercial auto liability				0
21.	Auto physical damage				0
22.	Aircraft (all perils)				0
23.	Fidelity				0
24.	Surety				0
26.	Burglary and theft				0
27.	Boiler and machinery				0
28.	Credit				0
29.	International				0
30.	Warranty				0
31.	Reinsurance - nonproportional assumed property				0
32.	Reinsurance - nonproportional assumed liability				0
33.	Reinsurance - nonproportional assumed financial lines				0
34.	Aggregate write-ins for other lines of business	0	0	0	0
35.	TOTALS	141,109,836	64,133,730	65,822,466	139,421,100

DETAILS OF WRITE-INS

3401.					0
3402.					0
3403.					0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

	Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1.	Fire					0
2.	Allied lines					0
3.	Farmowners multiple peril					0
4.	Homeowners multiple peril					0
5.	Commercial multiple peril					0
6.	Mortgage guaranty					0
8.	Ocean marine					0
9.	Inland marine					0
10.	Financial guaranty					0
11.1	Medical professional liability - occurrence					0
11.2	Medical professional liability - claims-made					0
12.	Earthquake					0
13.	Group accident and health					0
14.	Credit accident and health (group and individual)					0
15.	Other accident and health					0
16.	Workers' compensation	65,655,242				65,655,242
17.1	Other liability - occurrence	(6)				(6)
17.2	Other liability - claims-made	167,230				167,230
17.3	Excess workers' compensation					0
18.1	Products liability - occurrence					0
18.2	Products liability - claims-made					0
19.1, 19.2	Private passenger auto liability					0
19.3, 19.4	Commercial auto liability					0
21.	Auto physical damage					0
22.	Aircraft (all perils)					0
23.	Fidelity					0
24.	Surety					0
26.	Burglary and theft					0
27.	Boiler and machinery					0
28.	Credit					0
29.	International					0
30.	Warranty					0
31.	Reinsurance - nonproportional assumed property					0
32.	Reinsurance - nonproportional assumed liability					0
33.	Reinsurance - nonproportional assumed financial lines					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0
35.	TOTALS	65,822,466	0	0	0	65,822,466
36.	Accrued retrospective premiums based on experience					
37.	Earned but unbilled premiums					0
38.	Balance (sum of Lines 35 through 37)					65,822,466

DETAILS OF WRITE-INS

		1	2	3	4	5
3401.						0
3402.						0
3403.						0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0

(a) State here basis of computation used in each case: Monthly Pro Rata

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

	Line of Business	1 Direct Business (a)	Reinsurance Assumed 2 From Affiliates	Reinsurance Assumed 3 From Non-Affiliates	Reinsurance Ceded 4 To Affiliates	Reinsurance Ceded 5 To Non-Affiliates	6 Net Premiums Written (Cols. 1 + 2 + 3 - 4 - 5)
1.	Fire						0
2.	Allied lines						0
3.	Farmowners multiple peril						0
4.	Homeowners multiple peril						0
5.	Commercial multiple peril						0
6.	Mortgage guaranty						0
8.	Ocean marine						0
9.	Inland marine						0
10.	Financial guaranty						0
11.1	Medical professional liability - occurrence						0
11.2	Medical professional liability - claims-made						0
12.	Earthquake						0
13.	Group accident and health						0
14.	Credit accident and health (group and individual)						0
15.	Other accident and health						0
16.	Workers' compensation	142,224,438		904,036		2,382,044	140,746,430
17.1	Other liability - occurrence	2,504					2,504
17.2	Other liability - claims-made	2,420,204				2,059,302	360,902
17.3	Excess workers' compensation						0
18.1	Products liability - occurrence						0
18.2	Products liability - claims-made						0
19.1, 19.2	Private passenger auto liability						0
19.3, 19.4	Commercial auto liability						0
21.	Auto physical damage						0
22.	Aircraft (all perils)						0
23.	Fidelity						0
24.	Surety						0
26.	Burglary and theft						0
27.	Boiler and machinery						0
28.	Credit						0
29.	International						0
30.	Warranty						0
31.	Reinsurance - nonproportional assumed property	XXX					0
32.	Reinsurance - nonproportional assumed liability	XXX					0
33.	Reinsurance - nonproportional assumed financial lines	XXX					0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
35.	TOTALS	144,647,146	0	904,036	0	4,441,346	141,109,836

DETAILS OF WRITE-INS

3401.							0
3402.							0
3403.							0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [ ] No [X]

If yes: 1. The amount of such installment premiums $..........0.

2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis $..........0.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

	Line of Business	Losses Paid Less Salvage 1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)	5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
1.	Fire				0			0	0.0
2.	Allied lines				0			0	0.0
3.	Farmowners multiple peril				0			0	0.0
4.	Homeowners multiple peril				0			0	0.0
5.	Commercial multiple peril				0			0	0.0
6.	Mortgage guaranty				0			0	0.0
8.	Ocean marine				0			0	0.0
9.	Inland marine				0			0	0.0
10.	Financial guaranty				0			0	0.0
11.1	Medical professional liability - occurrence				0			0	0.0
11.2	Medical professional liability - claims-made				0			0	0.0
12.	Earthquake				0			0	0.0
13.	Group accident and health				0			0	0.0
14.	Credit accident and health (group and individual)				0			0	0.0
15.	Other accident and health				0			0	0.0
16.	Workers' compensation	88,109,293	279,664	7,984,844	80,404,113	293,038,415	289,106,662	84,335,866	60.6
17.1	Other liability - occurrence				0			0	0.0
17.2	Other liability - claims-made	617,273		502,995	114,278	607,597	472,794	249,081	70.5
17.3	Excess workers' compensation				0			0	0.0
18.1	Products liability - occurrence				0			0	0.0
18.2	Products liability - claims-made				0			0	0.0
19.1, 19.2	Private passenger auto liability				0			0	0.0
19.3, 19.4	Commercial auto liability				0			0	0.0
21.	Auto physical damage				0			0	0.0
22.	Aircraft (all perils)				0			0	0.0
23.	Fidelity				0			0	0.0
24.	Surety				0			0	0.0
26.	Burglary and theft				0			0	0.0
27.	Boiler and machinery				0			0	0.0
28.	Credit				0			0	0.0
29.	International				0			0	0.0
30.	Warranty				0			0	0.0
31.	Reinsurance - nonproportional assumed property	XXX			0			0	0.0
32.	Reinsurance - nonproportional assumed liability	XXX			0			0	0.0
33.	Reinsurance - nonproportional assumed financial lines	XXX			0			0	0.0
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0.0
35.	TOTALS	88,726,566	279,664	8,487,839	80,518,391	293,646,012	289,579,456	84,584,947	60.7

DETAILS OF WRITE-INS

		1	2	3	4	5	6	7	8
3401.					0			0	0.0
3402.					0			0	0.0
3403.					0			0	0.0
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	XXX
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

		Reported Losses				Incurred But Not Reported			8	9
		1	2	3	4	5	6	7		
	Line of Business	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable	Net Losses Excluding Incurred but not Reported (Cols. 1 + 2 - 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	Net Unpaid Loss Adjustment Expenses
1.	Fire				0				0	
2.	Allied lines				0				0	
3.	Farmowners multiple peril				0				0	
4.	Homeowners multiple peril				0				0	
5.	Commercial multiple peril				0				0	
6.	Mortgage guaranty				0				0	
8.	Ocean marine				0				0	
9.	Inland marine				0				0	
10.	Financial guaranty				0				0	
11.1	Medical professional liability - occurrence				0				0	
11.2	Medical professional liability - claims-made				0				0	
12.	Earthquake				0				0	
13.	Group accident and health				0				(a) 0	
14.	Credit accident and health (group and individual)				0				0	
15.	Other accident and health				0				(a) 0	
16.	Workers' compensation	76,719,643	684,778	7,499,914	69,904,507	230,138,766	1,178,264	8,183,122	293,038,415	41,241,516
17.1	Other liability - occurrence				0				0	
17.2	Other liability - claims-made	304,728		260,519	44,209	4,458,259		3,894,871	607,597	
17.3	Excess workers' compensation				0				0	
18.1	Products liability - occurrence				0				0	
18.2	Products liability - claims-made				0				0	
19.1, 19.2	Private passenger auto liability				0				0	
19.3, 19.4	Commercial auto liability				0				0	
21.	Auto physical damage				0				0	
22.	Aircraft (all perils)				0				0	
23.	Fidelity				0				0	
24.	Surety				0				0	
26.	Burglary and theft				0				0	
27.	Boiler and machinery				0				0	
28.	Credit				0				0	
29.	International				0				0	
30.	Warranty				0				0	
31.	Reinsurance - nonproportional assumed property	XXX			0	XXX			0	
32.	Reinsurance - nonproportional assumed liability	XXX			0	XXX			0	
33.	Reinsurance - nonproportional assumed financial lines	XXX			0	XXX			0	
34.	Aggregate write-ins for other lines of business	0	0	0	0	0	0	0	0	0
35.	TOTALS	77,024,371	684,778	7,760,433	69,948,716	234,597,025	1,178,264	12,077,993	293,646,012	41,241,516

DETAILS OF WRITE-INS

		1	2	3	4	5	6	7	8	9
3401.					0				0	
3402.					0				0	
3403.					0				0	
3498.	Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0	0	0	0	0	0
3499.	Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above)	0	0	0	0	0	0	0	0	0

(a) Including $..........0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	7,146,583			7,146,583
1.2 Reinsurance assumed				0
1.3 Reinsurance ceded	80,000			80,000
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	7,066,583	0	0	7,066,583
2. Commission and brokerage:				
2.1 Direct, excluding contingent		6,848,530		6,848,530
2.2 Reinsurance assumed, excluding contingent		(269,769)		(269,769)
2.3 Reinsurance ceded, excluding contingent				0
2.4 Contingent - direct		3,622,020		3,622,020
2.5 Contingent - reinsurance assumed				0
2.6 Contingent - reinsurance ceded		147,773		147,773
2.7 Policy and membership fees				0
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)	0	10,053,008	0	10,053,008
3. Allowances to manager and agents				0
4. Advertising		805,480		805,480
5. Boards, bureaus and associations		(247,224)		(247,224)
6. Surveys and underwriting reports	97			97
7. Audit of assureds' records		756,599		756,599
8. Salary and related items:				
8.1 Salaries	5,278,949	7,824,572	136,280	13,239,801
8.2 Payroll taxes	387,276	587,578	9,952	984,806
9. Employee relations and welfare	2,586,139	3,135,832	85,862	5,807,833
10. Insurance	66,699	100,787	3,532	171,018
11. Directors' fees	147,162	154,505	11,147	312,814
12. Travel and travel items	198,618	624,988	7,884	831,490
13. Rent and rent items	492,960	413,690		906,650
14. Equipment	767,765	918,837	31,073	1,717,675
15. Cost or depreciation of EDP equipment and software	148,371	142,812	8,073	299,256
16. Printing and stationery	171,251	153,709	2,550	327,510
17. Postage, telephone and telegraph, exchange and express	469,302	596,092	9,194	1,074,588
18. Legal and auditing	184,090	227,922	1,192,197	1,604,209
19. Totals (Lines 3 to 18)	10,898,679	16,196,179	1,497,744	28,592,602
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of $..........0		2,504,293		2,504,293
20.2 Insurance department licenses and fees	58,169	1,203,084	3,708	1,264,961
20.3 Gross guaranty association assessments		85,112		85,112
20.4 All other (excluding federal and foreign income and real estate)	58,260	64,274	1,809	124,343
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	116,429	3,856,763	5,517	3,978,709
21. Real estate expenses				0
22. Real estate taxes				0
23. Reimbursements by uninsured plans				0
24. Aggregate write-ins for miscellaneous expenses	341,471	1,066,513	15,006	1,422,990
25. Total expenses incurred	18,423,162	31,172,463	1,518,267	(a) 51,113,892
26. Less unpaid expenses - current year	41,241,516	31,473,131		72,714,647
27. Add unpaid expenses - prior year	36,669,392	29,811,025		66,480,417
28. Amounts receivable relating to uninsured plans, prior year				0
29. Amounts receivable relating to uninsured plans, current year				0
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	13,851,038	29,510,357	1,518,267	44,879,662

DETAILS OF WRITE-INS

2401. Outside services and other expenses	341,471	1,066,513	15,006	1,422,990
2402.				0
2403.				0
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	341,471	1,066,513	15,006	1,422,990

(a) Includes management fees of $..........0 to affiliates and $..........0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 1,059,200	1,044,650
1.1	Bonds exempt from U.S. tax	(a) 6,701,857	6,506,568
1.2	Other bonds (unaffiliated)	(a) 9,547,060	9,483,358
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	2,666,596	2,681,243
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 9,134	9,154
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	1,100,443	1,100,443
10.	Total gross investment income	21,084,290	20,825,416
11.	Investment expenses		(g) 1,518,267
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		1,518,267
17.	Net investment income (Line 10 minus Line 16)		19,307,149

DETAILS OF WRITE-INS

		1	2
0901.	Other investment income	683,025	683,025
0902.	Deferred bonds transferred	417,418	417,418
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	1,100,443	1,100,443
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		0

(a) Includes $.....278,176 accrual of discount less $.....2,512,695 amortization of premium and less $.....405,164 paid for accrued interest on purchases.
(b) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued dividends on purchases.
(c) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued interest on purchases.
(d) Includes $..........0 for company's occupancy of its own buildings; and excludes $..........0 interest on encumbrances.
(e) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued interest on purchases.
(f) Includes $..........0 accrual of discount less $..........0 amortization of premium.
(g) Includes $..........0 investment expenses and $..........0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
(h) Includes $..........0 interest on surplus notes and $..........0 interest on capital notes.
(i) Includes $..........0 depreciation on real estate and $..........0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds	35,858		35,858		
1.1	Bonds exempt from U.S. tax	1,257,259		1,257,259		
1.2	Other bonds (unaffiliated)	1,291,316	(232,051)	1,059,265	(99,645)	
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)			0		
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)	11,201,252		11,201,252	655,706	
2.21	Common stocks of affiliates			0	7,669,132	
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0		
7.	Derivative instruments			0		
8.	Other invested assets			0	211,927	
9.	Aggregate write-ins for capital gains (losses)	670,963	(610,609)	60,354	(386,536)	0
10.	Total capital gains (losses)	14,456,648	(842,660)	13,613,988	8,050,584	0

DETAILS OF WRITE-INS

		1	2	3	4	5
0901.	Other investment in mutual funds	534,750		534,750	(386,536)	
0902.	Deferred bonds transferred included in real gains	136,213	(610,609)	(474,396)		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	670,963	(610,609)	60,354	(386,536)	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	1,126,246	947,909	(178,337)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	59,276	49,890	(9,386)
15.3 Accrued retrospective premiums		1,324	1,324
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	183,697	183,132	(565)
21. Furniture and equipment, including health care delivery assets	3,369,057	2,328,824	(1,040,233)
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates	544,980	712,622	167,642
24. Health care and other amounts receivable			0
25. Aggregate write-ins for other than invested assets	1,497,432	653,681	(843,751)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	6,780,688	4,877,382	(1,903,306)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	6,780,688	4,877,382	(1,903,306)

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaids and other assets	1,497,432	653,681	(843,751)
2502.			0
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	1,497,432	653,681	(843,751)

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices, Impact of NAIC/State Differences

The accompanying financial statements of Maine Employers' Mutual Insurance Company (Company) have been prepared on the basis of accounting practices prescribed or permitted by the Maine Bureau of Insurance.

The State of Maine requires insurance companies domiciled in the State of Maine to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* subject to any deviations prescribed or permitted by the Maine Bureau of Insurance. The Maine Bureau of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Maine for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Maine Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Maine. There are no differences between the Company's net income, capital and surplus as recognized under NAIC SAP and the practices prescribed and permitted by the State of Maine.

Description	State	2014	2013
1. Net Income, state basis	ME	18,318,646	7,363,544
2. Effect of state prescribed practices		-	-
3. Effect of state permitted practices		-	-
4. Net Income, NAIC SAP basis		18,318,646	7,363,544

Description	State	2014	2013
5. Policyholders' surplus, state basis	ME	393,858,405	370,882,332
6. Effect of state prescribed practices		-	-
7. Effect of state permitted practices		-	-
8. Policyholders' surplus, NAIC SAP basis		393,858,405	370,882,332

B. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in these financial statements and notes. Actual results could differ from these estimates.

C. Accounting Policies

Direct, assumed and ceded premiums are earned over the terms of the related policies and reinsurance contracts. Unearned premiums are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct and ceded business and are based on reports received from ceding companies for reinsurance assumed. Premiums receivable are primarily due from agents and policyholders and are charged off when specific balances are determined to be uncollectible. The Company writes audit and may write retrospective business which results in premiums being billed in arrears. Estimates are made of ultimate annual premiums to be paid on these variably priced policies and accruals made for any additional premiums to be collected or refunded. These accruals are reflected within premiums receivable as earned but unbilled premiums or accrued retrospective premiums.

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

Net investment income earned consists primarily of interest and dividends less investment related expense. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Realized capital losses include writedowns for impairments considered to be other than temporary.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized value using the interest method. Non-investment grade short-term investments are stated at the lower of amortized value or fair value.

2. Investment grade non-loan-backed bonds with NAIC designations 1 or 2 are stated at amortized value using the interest method. Non-investment grade non-loan-backed bonds with NAIC designations of 3 through 6 are stated at the lower of amortized value or fair value. See paragraph 6 for loan-backed and structured securities.

3. Common stocks, other than investments in stocks of subsidiaries and affiliates, are stated at fair value. Investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.

4. The Company does not currently hold any investment or non-investment grade perpetual or redeemable preferred stocks.

5. The Company does not have any mortgage loans on real estate.

6. U.S. government agency loan-backed and structured securities are valued at amortized value. Other loan-backed and structured securities are valued at either amortized value or fair value, depending on many factors including: the type of underlying collateral, whether modeled by an NAIC vendor, whether rated (by either NAIC approved

rating organization or NAIC Securities Valuation Office), and relationship of amortized value to par value and amortized value to fair value.

7. Investment in subsidiaries and affiliated companies are stated as follows:

   Insurance subsidiaries (MEMIC Indemnity Company and MEMIC Casualty Company) are stated at statutory equity value. The Company carries MEMIC Services, Inc., a 100% owned non-insurance subsidiary at a statutory equity balance of $(531,215) and Casco View Holdings, LLC (CVH), a 100% owned non-insurance subsidiary at a US GAAP equity balance of $18,368,663.

8. The Company has a minor ownership interest in a joint venture. The Company carries its interests in the joint venture at US GAAP equity of the investee.

9. The Company does not currently participate in any derivative transactions.

10. The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with NAIC SSAP No. 53, Property Casualty Contracts Premiums.

11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amounts are adequate, the ultimate liabilities may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined. The Company uses the same methodology for any related losses and loss/claims adjustment expenses related to potential claims resulting from toxic waste cleanup, asbestos-related illness or other environmental remediation exposures.

12. The Company has a written capitalization policy for prepaid expenses and purchases of items such as electronic data processing equipment, software, furniture, other equipment and leasehold improvements. The predefined capitalization thresholds under this policy have not changed from those of the prior year.

13. Not applicable as the Company does not write major medical insurance with prescription drug coverage.

Note 2 - Accounting Changes and Corrections of Errors

Not applicable

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method

   Not applicable

B. Statutory Mergers

   Not applicable

C. Writedowns for Impairment of Investments in Affiliates

   Not applicable (see Note 10J)

Note 4 - Discontinued Operations

Not applicable

Note 5 – Investments

A. Mortgage Loans

   Not applicable

B. Troubled Debt Restructuring for Creditors

   Not applicable

C. Reverse Mortgages

   Not applicable

D. Loan-Backed and Structured Securities

   1. Prepayment assumptions for loan-backed and structured securities were obtained from broker dealer survey values or internal estimates.

   2. The following table summarizes by quarter other-than-temporary impairments (OTTI) for loan-backed securities recorded during the year because the Company had either the intent to sell the securities or the inability or lack of intent to retain as cited in the table:

	1 Amortized Cost Before OTTI	2 OTTI Recognized	3 Fair Value 1 - 2
OTTI recognized 1st quarter			
a. Intent to sell			
b. Inability or lack of intent to retain investment in security for period of time sufficient to recover amortized cost basis			
c. Total 1st quarter			
OTTI recognized 2nd quarter			
d. Intent to sell			
e. Inability or lack of intent to retain investment in security for period of time sufficient to recover amortized cost basis			
f. Total 2nd quarter		None	
OTTI recognized 3rd quarter			
g. Intent to sell			
h. Inability or lack of intent to retain investment in security for period of time sufficient to recover amortized cost basis			
i. Total 3rd quarter			
OTTI recognized 4th quarter			
j. Intent to sell			
k. Inability or lack of intent to retain investment in security for period of time sufficient to recover amortized cost basis			
l. Total 4th quarter			
m. Annual aggregate total		None	

3. The following table summarizes other–than-temporary impairments (OTTI) for loan-backed and structured securities held at the end of the year recorded based on the fact that the present value of projected cash flows expected to be collected was less than the amortized cost of the securities. There was no other-than-temporary impairment recorded during 2014 on loan backed or structured securities:

1 CUSIP	2 Amortized Cost Before OTTI	3 Present Value of Projected Cash Flows	4 OTTI Recognized	5 Amortized Cost After OTTI	6 Fair Value at Time of OTTI	7 Date of Finanical Statement Where Reported
Total			None			

4. Loan-backed and structured securities in unrealized loss positions as of year-end, stratified based on length of time continuously in these unrealized loss positions, are as follows:

a. Aggregate amount of unrealized loss	
1. Less than twelve months	26,979
2. Twelve months or longer	446,960
3. Total	**473,939**
b. Aggregate fair value of securities with unrealized loss	
1. Less than twelve months	5,414,624
2. Twelve months or longer	28,524,768
3. Total	**33,939,392**

5. All loan-backed and structured securities in an unrealized loss position were reviewed to determine whether other-than-temporary impairments should be recognized. The Company asserts that it has the intent and ability to hold these securities long enough to allow the cost basis of these securities to be recovered. These conclusions are supported by a detail analysis of the underlying credit and cash flows of each security. Unrealized losses are primarily attributable to credit spread widening and increased liquidity discounts. It is possible that the Company could recognize other-than-temporary impairments in the future on some of the securities, if future events, information and the passage of time cause it to conclude that declines in value are other-than temporary.

E. Repurchase Agreements and/or Securities Lending Transactions

Not applicable

F. Writedowns for Impairments of Real Estate, Real Estate Sales, Retail Land Sales Operations and Real Estate with Participating Mortgage Loan Features

Not applicable

G. Low Income Housing Tax Credits

Not applicable

H. Restricted Assets

1. Restricted assets (including pledged) summarized by restricted asset category

Restricted Asset Category	Gross Restricted								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
	Total General Account (G/A)	G/A Supporting Protected Cell Restricted	Total Protected Cell Restricted Assets	Protected Cell Assets Supporting G/A Activity (b)	Total (1 + 3)	Total From Prior Year	Increase/ (Decrease) (5 - 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown										
b. Collateral held under security lending arrangements										
c. Subject to repurchase agreements										
d. Subject to reverse repurchase agreements										
e. Subject to dollar repurchase agreements										
f. Subject to dollar reverse repurchase agreements										
g. Placed under option contracts										
h. Letter stock or securities restricted as to sale- excluding FHBL capital stock										
i. FHLB capital stock										
j. On deposit with states			3,030,751		3,030,751	3,040,631	(9,880)	3,030,751	0.36%	0.37%
k. On deposit with other regulatory bodies			666,545		666,545	669,190	(2,645)	666,545	0.08%	0.08%
l. Pledged as collateral to FHLB (including assets backing funding agreements)										
m. Pledged as collateral not captured in other categories										
n. Other restricted assets										
o. Total restricted assets	-	-	3,697,296	-	3,697,296	3,709,821	(12,525)	3,697,296	0.44%	0.45%

(a) Subset of column 1

(b) Subset of column 3

2. Detail of assets pledged as collateral not captured in other categories (reported on line m above)

	Gross Restricted								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
Collateral Agreement	Total General Account (G/A)	G/A Supporting Protected Cell Restricted Assets (a)	Total Protected Cell Restricted Assets	Cell Assets Supporting G/A Activity (b)	Total (1+3)	Total From Prior Year	Increase/ (Decrease) (5 - 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
				None						
Total										

(a) Subset of column 1

(b) Subset of column 3

3. Detail of other restricted assets (reported on line n above)

	Gross Restricted								Percentage	
	Current Year									
	1	2	3	4	5	6	7	8	9	10
Other Restricted Assets	Total General Account (G/A)	G/A Supporting Protected Cell Restricted Assets (a)	Total Protected Cell Restricted Assets	Cell Assets Supporting G/A Activity (b)	Total (1+3)	Total From Prior Year	Increase/ (Decrease) (5 - 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
				None						
Total										

(a) Subset of column 1

(b) Subset of column 3

I. Working Capital Finance Investments

Not applicable

J. Offsetting and Netting of Assets and Liabilities

Not applicable

K. Structured Notes

Not applicable

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

A. Detail for Those Greater than 10% of Admitted Assets

Not applicable

B. Writedowns for Impairments of Joint Ventures, Partnerships and LLCs

The current carrying value of an investment in a joint venture that is less than 10% of admitted assets is $0. There were no impairments recorded in this investment during 2014.

Note 7 - Investment Income

A. Accrued Investment Income

The Company does not admit investment income due and accrued if amounts are over 90 days past due. The Company has recognized all investment income due and accrued in the financial statements. There are no circumstances that prevent recognition of investment income in the financial statements.

B. Amounts Nonadmitted

Not applicable

Note 8 - Derivative Instruments

A. Not applicable

Derivatives	Notional Amount	Number of Contracts	B/ACV	Fair Value
Written call options				
Totals	**None**			

Note 9 - Income Taxes

A. Deferred Tax Asset/(Liability)

1. Components of Net Deferred Tax Asset/(Liability)

	2014		
	1 Ordinary	2 Capital	3 (Col 1+2) Total
a. Gross deferred tax assets	27,927,688	2,874,456	30,802,144
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred taxes (1a - 1b)	27,927,688	2,874,456	30,802,144
d. Deferred tax assets nonadmitted	-	-	-
e. Subtotal net admitted deferred tax asset (1c - 1d)	27,927,688	2,874,456	30,802,144
f. Deferred tax liabilities	589,524	18,785,486	19,375,010
g. Net admitted deferred tax assets/(net deferred tax liability) (1e - 1f)	27,338,164	(15,911,030)	11,427,134
	2013		
	4 Ordinary	5 Capital	6 (Col 4+5) Total
a. Gross deferred tax assets	27,863,152	4,140,528	32,003,680
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred taxes (1a - 1b)	27,863,152	4,140,528	32,003,680
d. Deferred tax assets nonadmitted	-	-	-
e. Subtotal net admitted deferred tax asset (1c - 1d)	27,863,152	4,140,528	32,003,680
f. Deferred tax liabilities	474,504	18,555,989	19,030,493
g. Net admitted deferred tax assets/(net deferred tax liability) (1e - 1f)	27,388,648	(14,415,461)	12,973,187
	Change		
	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	64,536	(1,266,072)	(1,201,536)
b. Statutory valuation allowance adjustment	-	-	-
c. Adjusted gross deferred taxes (1a - 1b)	64,536	(1,266,072)	(1,201,536)
d. Deferred tax assets nonadmitted	-	-	-
e. Subtotal net admitted deferred tax asset (1c - 1d)	64,536	(1,266,072)	(1,201,536)
f. Deferred tax liabilities	115,020	229,497	344,517
g. Net admitted deferred tax assets/(net deferred tax liability) (1e - 1f)	(50,484)	(1,495,569)	(1,546,053)

2. Admission Calculation Components

	2014		
	1	2	3
	Ordinary	Capital	(Col 1+2) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	5,297,482	1,010,622	6,308,104
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:	9,095,901	-	9,095,901
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	9,095,901	-	9,095,901
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	XXX
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	13,534,305	1,863,834	15,398,139
d. Deferred tax assets admitted as the result of application of SSAP101 Total 2(a)+2(b)+2(c)	27,927,688	2,874,456	30,802,144
	2013		
	4	5	6
	Ordinary	Capital	(Col 4+5) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	8,816,160	953,374	9,769,534
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:	6,326,816	-	6,326,816
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	6,326,816	-	6,326,816
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	XXX
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	12,720,176	3,187,154	15,907,330
d. Deferred tax assets admitted as the result of application of SSAP101 Total 2(a)+2(b)+2(c)	27,863,152	4,140,528	32,003,680
	Change		
	7	8	9
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	(3,518,678)	57,248	(3,461,430)
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:	2,769,085	-	2,769,085
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	2,769,085	-	2,769,085
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	XXX
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	814,129	(1,323,320)	(509,191)
d. Deferred tax assets admitted as the result of application of SSAP101 Total 2(a)+2(b)+2(c)	64,536	(1,266,072)	(1,201,536)

3. Other Admissibility Criteria

	2014	2013
a. Ratio percentage used to determine recovery period and threshold limitation amount	1126%	1398%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	57,251,045	53,585,303

4. Impact of Tax Planning Strategies

	2014		2013		Change	
	1	2	3	4	5 (Col. 1-3)	6 (Col. 2-4)
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
a. Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character, as a percentage.						
1. Adjusted gross DTAs amount from Note 9A1(c).	27,927,688	2,874,456	27,863,153	4,140,528	64,535	(1,266,072)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies.	0.0%	17.4%	0.0%	12.9%	0.0%	4.5%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e).	27,927,688	2,874,456	27,863,153	4,140,528	64,535	(1,266,072)
4. Percentage of net admitted adjusted from DTAs by tax character admitted because of the impact of tax planning strategies.	0.0%	17.4%	0.0%	31.9%	0.0%	-14.5%
b. Does the company's tax planning strategies include the use of reinsurance?					Yes [ ] No [X]	

B. Deferred Tax Liabilities Not Recognized

Not applicable

C. Current and Deferred Income Taxes

1. Current Income Tax

	1	2	3
	2014	2013	(Col. 1 - 2) Change
a. Federal	(1,543,402)	313,219	(1,856,621)
b. Foreign	-	-	-
c. Subtotal	(1,543,402)	313,219	(1,856,621)
d. Federal income tax on net capital gains	3,464,974	1,619,813	1,845,161
e. Utilization of capital loss carry-forwards	-	-	-
f. Other	-	-	-
g. Federal and Foreign income taxes incurred	1,921,572	1,933,032	(11,460)

2. Deferred Tax Assets

	1 2014	2 2013	3 (Col 1 - 2) Change
a. Ordinary:			
1. Discounting of unpaid losses	15,329,274	17,090,817	(1,761,543)
2. Unearned premium reserves	4,707,310	4,550,285	157,025
3. Policyholder reserves		-	-
4. Investments	-	-	-
5. Deferred acquisition costs	-	-	-
6. Policyholder dividends accrual	-	-	-
7. Fixed assets	-	-	-
8. Compensation and benefits accrual	-		-
9. Pension accrual	6,398,965	5,015,266	1,383,699
10. Receivables - nonadmitted	-	-	-
11. Net operating loss carry-forward	-	-	-
12. Tax credit carry-forward	-	-	-
13. Other (including items < 5% of total ordinary tax assets)	1,492,139	1,206,784	285,355
99. Subtotal	27,927,688	27,863,152	64,536
b. Statutory valuation allowance adjustment	-	-	-
c. Nonadmitted	-	-	-
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	27,927,688	27,863,152	64,536
e. Capital:			
1. Investments	2,874,456	4,140,528	(1,266,072)
2. Net capital loss carry-forward	-	-	-
3. Real estate	-	-	-
4. Other (including items < 5% of total capital tax assets)	-	-	-
99. Subtotal	2,874,456	4,140,528	(1,266,072)
f. Statutory valuation allowance adjustment	-	-	-
g. Nonadmitted	-	-	-
h. Admitted capital deferred tax assets (2e99-2f-2g)	2,874,456	4,140,528	(1,266,072)
i. Admitted deferred tax assets (2d+2h)	30,802,144	32,003,680	(1,201,536)

3. Deferred Tax Liabilities

	1 2014	2 2013	3 (Col 1 - 2) Change
a. Ordinary:			
1. Investments	382,374	351,969	30,405
2. Fixed Assets	207,150	122,535	84,615
3. Deferred and uncollected premium	-	-	-
4. Policyholder reserves	-	-	-
5. Other (including items <5% of total ordinary tax assets)	-	-	-
99. Subtotal	589,524	474,504	115,020
b. Capital:			
1. Investments	18,785,486	18,555,989	229,497
2. Real estate	-	-	-
3. Other (including items < 5% of total capital tax assets)	-	-	-
99. Subtotal	18,785,486	18,555,989	229,497
c. Deferred tax liabilities (3a99+3b99)	19,375,010	19,030,493	344,517

4. Net Deferred Tax Assets

Net Deferred Tax Assets/Liabilities (2i-3c)	11,427,134	12,973,187	(1,546,053)

Deferred Tax Liabilities - Ordinary
09C3(a)(05)

	1 2014	2 2013	3 (Col. 1-2) Change
5. Other (items <5% of total ordinary deferred tax liabilities)			
Other (items >= 5% of total ordinary deferred tax liabilities):	-	-	-
6. Additional acquisition costs	-	-	-
7. Guaranty fund accrual	-	-	-
8. Salvage and subrogation	-	-	-
98. Subtotal Items >= 5% of total ordinary deferred tax liabilities	-	-	-
99. Total	-	-	-

D. Reconciliation of Federal Income Tax Rate to Actual Effective rate

Among the more significant book tax adjustments were the following:

	2014	
	Amount in Thousands	Effective Tax Rate (%)
Provision computed at statutory rate	7,084,076	35.0
Change in nonadmitted assets	(361,472)	(2.0)
Tax exempt income deduction, net of add-back	(1,993,802)	(10.0)
Dividends received deduction, net off add-back	(555,319)	(3.0)
Accrued dividend from 100% owned affiliate	-	0.0
Balance sheet true-up	(974,934)	(4.0)
Other	74,454	0.0
Disallowed travel and entertainment	-	0.0
Taxes recovered - 2011 RAR	-	0.0
Accrual adjustment - prior year		
Totals	3,273,003	16.0
Federal and foreign income taxes incurred	(1,543,402)	(8.0)
Realized capital gains (losses) tax	3,464,974	17.0
Change in net deferred income taxes	1,351,431	7.0
Total statutory income taxes	3,273,003	16.0

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

1. At December 31, 2014, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

2. The following is income tax expense for 2014 and 2013 that is available for recoupment in the event of future net losses:

Year	Amount
2014	1,921,572
2013	1,748,666

3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

As of December 31, 2014 and 2013 the Company has no uncertain tax positions requiring disclosure in these financial statements. Had the Company identified such positions, these amounts would be evaluated and disclosed or accrued. Liabilities would be reflected on the statement of financial position and the related interest and penalties would be included on the statement of income as underwriting expenses.

As of December 31, 2014, the Company incurred AMT of $236,366 on a stand-alone basis and $390,045 on a consolidated basis.

The tax years that remain subject to examination by major tax jurisdictions for the Company are 2011, 2012 and 2013.

1. The Company’s federal income tax return is consolidated with the following entities:

   Casco View Holdings, LLC, a 100% owned non-insurance entity,
   MEMIC Indemnity Company, a 100% owned Property/Casualty insurance subsidiary,
   MEMIC Casualty Company, a 100% owned Property/Casualty insurance subsidiary, and
   MEMIC Services, Inc., a 100% owned insurance services subsidiary

2. The Company has a written agreement which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Pursuant to this agreement, the Company has a right to recoup federal income taxes paid in prior years in the event of future net losses, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes. Intercompany tax balances are settled within the terms of the written agreement.

G. Federal or Foreign Federal Income Tax loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of Relationships

The Company owns 100% of the common stock of MEMIC Indemnity and MEMIC Casualty, property/casualty insurance companies licensed to write workers' compensation insurance which are domiciled in New Hampshire and Vermont, respectively, as of December 31, 2014. As of January 1, 2015 MEMIC Casualty changed its state of domicile to New Hampshire. The Company also owns 100% of the common stock of an insurance services subsidiary, MEMIC Services, Inc. and 100% of the member interest in Casco View Holdings, LLC, a real estate holding company.

B. Detail of Transactions Greater than ½% of Admitted assets

In 2000, the Company capitalized MEMIC Indemnity Company with a $12,000,000 investment. The Company supplemented its investment by contributing an additional $60,000,000 between 2001 and 2012, $12,000,000 in 2013 and $14,000,000 during 2014. The Company contributed capital of $14,000,000 and $12,000,000 in the form of fixed income securities and cash towards its investment in MEMIC Indemnity Company in 2014 and 2013, respectively. The $14,000,000 and $12,000,000 capital contribution noted as a change in common stock includes $13,818,544 and $11,791,212 non cash contribution of bonds, and $181,456 and $208,788 in cash during 2014 and 2013, respectively. As a result of the contribution of fixed income securities with a book/adjusted carrying value of $13,818,544 and $11,791,212 the Company recognized a deferred gain in surplus of $1,696,796 and $1,463,129 as of December31, 2014 and 2013, respectively. The realized component of the difference between the fair value and book/adjusted carrying value as of the date of transfer cannot be recognized under SSAP No. 25 until the transferred securities mature or are sold by MEMIC Indemnity Company and remain a component of policyholder surplus as a deferred gain.

The Company charges management fees and other services to MEMIC Indemnity Company in the normal course of business in accordance with the terms of certain cost sharing agreements. In 2014 and 2013, the Company charged MEMIC Indemnity Company approximately $11,702,420 and 9,883,946, respectively, for administrative and management services, underwriting, claims, loss control, managed care and investment management fees and was charged $325,753 and $335,234, respectively, for premium audit and other claims services that were provided from MEMIC Indemnity Company. Certain other direct costs are paid by the Company, charged back to MEMIC Indemnity Company and settled within the terms of the written cost sharing agreements.

The Vermont Department of Financial Regulation, acting as rehabilitator, converted the former Granite Manufacturers' Mutual Indemnity Company (GMMIC) to a stock company and on December 12, 2011 the Company purchased the Company, formerly known as GMMIC, a property/casualty insurance company licensed to write workers' compensation insurance. In conjunction with the transaction, GMMIC was renamed to MEMIC Casualty Company. There are no outstanding liabilities associated with this former incorporation. The newly formed stock Company is licensed to write workers' compensation insurance in Vermont, New Hampshire, New York and Pennsylvania and commenced writing policies in May 2012. The Company contributed capital of $4,622,576 and a $561,375 bond towards its original investment in MEMIC Casualty Company during 2011.

The Company contributed additional capital of $4,000,000 in 2012 and contributed an additional $10,000,000 in the form of fixed income securities and cash towards its investment in MEMIC Casualty Company in 2013. The $4,000,000 capital contribution, noted as a change in policyholder surplus, includes $3,849,683 non-cash contribution of bonds, and $150,317 cash in 2013. As a result of the contribution of fixed income securities with a book/adjusted carrying value of $3,849,683 the Company recognized a deferred gain in surplus of $497,992 as of December 31, 2013 of which a deferred gain balance of $321,304 remains as of December 31, 2014. The realized component of the difference between the fair value and book/adjusted carrying value as of the date of transfer cannot be recognized under SSAP No. 25 until the transferred securities mature or are sold by MEMIC Casualty Company and remain a component of policyholder surplus as a deferred gain.

The Company charges management fees and other services to MEMIC Casualty Company in the normal course of business and in accordance with the terms of certain cost sharing agreements. In 2014 and 2013, there was $179,731 and $155,653 respectively, charged to MEMIC Casualty Company by the Company for such services for administrative and management services, underwriting, claims and investment management fees. Certain other direct costs are paid by the Company and charged back to MEMIC Casualty Company and settled within the terms of the written cost sharing agreements.

In January 2010 the Company established a wholly owned subsidiary, Casco View Holdings, LLC (CVH). This entity was established for the management and ownership of current and future investments in real estate. On March 1, 2011, the Company invested an additional $5,100,000 in CVH. CVH invested 100% of the $5,100,000 in its wholly owned subsidiary, Casco View Holdings II, LLC (CVHII) for the purchase of the home office building of the Company which had previously been under a long-term lease with an unrelated party. In November 2013 the Company purchased a parcel of land and contributed the land and cash of $393,222 to CVH for an additional $2,500,000 investment. CVH invested 100% of the $2,500,000 in a new wholly owned subsidiary Casco View Holdings III, LLC (CVHIII). During 2014 the Company invested an additional $3,712,233 in CVH by contributing another commercial real estate property located in Portland, Maine of which CVH invested the entire contribution into CVHIII. CVH paid the Company $45,000 and $24,000 for management services during 2014 and 2013, respectively. In addition, the Company leased office space from CVH and paid $48,423 for rent and parking during 2014. The Company also leased office space from CVHII and paid $844,950 and $847,350 for rent and parking during 2014 and 2013, respectively. The Company records its membership interests in CVH, CVHII and CVHIII in Schedule BA, Other Invested Assets.

C. Change in Terms of Intercompany Arrangements

The terms of intercompany management and service arrangements between the Company and MEMIC Services, Inc. changed effective January 1, 2013. Loss control and managed care services were previously provided by MEMIC Services, Inc. but are now provided by the Company. There were no changes during 2014.

D. Amounts Due to or from Related Parties

These arrangements are subject to written agreements which require that intercompany balances be settled within 45 days. The amounts due from or (to) affiliates are as follows:

Affiliate	2014	2013
MEMIC Services, Inc.	-	-
MEMIC Indemnity Company	807,379	3,826,779
Casco View Holdings, LLC	(22,165)	20,278
MEMIC Casualty Company	(129,235)	(183,418)
Totals	655,979	3,663,639

E. Guarantees or Undertakings for Related parties

The Company has guarantees/commitments regarding all operations of MEMIC Services, Inc. The Company has recorded all amounts in the financial statements. The Company has also guaranteed the debt of the wholly owned subsidiary CVHII (see Note 11).

F. Management, Service Contracts, Cost Sharing Arrangements

The Company has agreed to purchase agency services from MEMIC Services, Inc. the 100% owned insurance services affiliate. The Company has also agreed to provide certain administrative and management services, as well as underwriting, claims, loss control, managed care and investment management fees to all insurance affiliates. The Company has agreed to provide administrative and management services to CVH.

G. Nature of Relationships that Could Affect Operations

As a result of the control relationship noted in A, B & C above, the operating results or financial position of the reporting entity would not be significantly different from those that would have been obtained if the enterprises were autonomous.

H. Amount Deducted for Investment in Upstream Company

Not applicable

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

The Company owns 100% of MEMIC Indemnity Company. The common stock investment is recorded at its statutory equity value of $121,478,360. See Note 1C7 and 3A. Summarized statutory information for MEMIC Indemnity Company follows.

Description	Amount
Admitted assets	328,122,745
Liabilities	200,644,385
Policyholders' surplus	127,478,360
Net income	5,386,081

J. Writedowns for Impairment of Investments in Affiliates

Not applicable (see Note 3C)

K. Foreign Insurance Subsidiary Valued Using CARVM

Not applicable

L. Downstream Holding Company Valued Using Look-Through Method

Not applicable

Note 11 - Debt

A. The Company has no outstanding debt included on its balance sheet as of December 31, 2014 or 2013; however, the Company has a guarantee on an outstanding note payable from a local bank through its wholly owned subsidiary, CVH, who is the single member of CVHII.

On March 1, 2011, the Company invested an additional $5,100,000 in its wholly owned subsidiary, CVH. CVH invested 100% of the $5,100,000 in its wholly owned subsidiary, CVHII for the purchase of the home office building of the Company which had previously been under a long-term lease with an unrelated party. CVHII assumed a mortgage note payable "the Note" from the previous owner from a local bank on March 1, 2011. CVHII is the borrower on the mortgage noted that was assumed and the Company is a limited corporate guarantor. The corporate guaranty is between the Company and the local bank. The local bank will hold the Company in default if CVHII cannot meet its debt obligations. CVHII assumed a remaining principal balance of $3,892,481 on the note on March 1, 2011 and has continued to make all principal and interest payments due on the note timely. The current outstanding value of the Note is $3,221,059 and $3,414,407 as of December 31, 2014 and 2013, respectively. CVHII must maintain a minimum debt service coverage ratio of 1.2:1.0 during the term of the Amended and Restated Note. CVHII currently meets the annual debt service.

Along with the assumption of the Note, CVHII was required to purchase a certificate of deposit at the bank which serves as collateral on the mortgage note payable along with the building at 261 Commercial Street. The value of this certificate of deposit represents the disparity between the mortgage note assumed and 80% of the bank's commercial lending appraisal at the time of purchase. This certificate of deposit of $1,036,737 and $1,032,598 is included in short-term investments on the balance sheet as of December 31, 2014 and 2013, respectively. The outstanding balance on this note payable as of December 31, 2014 and 2013 is $3,221,059 and $3,414,407, respectively.

The Note has a variable interest rate equal to the one (1) month LIBOR rates, plus two and one-tenth of one percent (2.10%) per year with an Interest Rate Swap Agreement. When the mortgage loan was established, the debtor wished to have a fixed rate of interest. Interest Rate Swap Agreements are used to mitigate the risk for changes in interest rates associated with variable interest rate indebtedness. Under such arrangements, a portion of variable rate indebtedness is converted to fixed rates based on a notional principal amount. The Note matures in September 2015 at which time the principal outstanding will be due. CVH has reclassified all amounts outstanding on the note to current as the note matures in 2015 at which time it will be refinanced or retired.

Debt Description	Amount
Total recorded as borrowed money Total recorded as encumbrances on real estate Total debt outstanding	**None**

The combined scheduled aggregate maturities for the next five years and thereafter are as follows:

Year	Amount
2015	
2016	
2017	**None**
2018	
2019	
Subtotal	
Thereafter	
On demand	
Total	**None**

The Company has not recorded a liability for any amounts due on this Note as the borrower has met all principal and interest obligations to date and will have sufficient cash flow to meet these obligations as they come due as the Company is the sole tenant for CVHII and has adequate resources to meet its lease obligations. The equity value of CVH, which is included in other invested assets on the balance sheet, reflects the GAAP equity of CVH and would have no net impact on the surplus of the Company. If the Company held the debt, both the assets and liabilities would increase by the value of the mortgage note payable.

The Company does not have any reverse repurchase agreements

B. FHLB (Federal Home Loan Bank) Agreements

Not applicable

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

Not applicable

B. - D. Investment Policies, Fair Value of Plan Assets and Rate of Return Assumptions

The Company sponsors a defined contribution plan. See Note 12G.

E. Defined Contribution Plans

The Company sponsors a defined contribution plan. See Note 12G.

F. Multiemployer Plans

Not applicable

G. Consolidated / Holding Company Plans

The Company has adopted a qualified defined contribution pension, 401(k) and profit sharing plan (the Plan) covering substantially all full-time employees who meet the plans' eligibility requirements. If approved by the Board of Directors, the pension component of the defined contribution plan is determined to be 3-6% of the covered employees' annual eligible compensation. Employees become eligible to participate upon completion of three months of service and are fully vested in the plan after three years of service. The amount expensed for the pension related portion of the Plan was approximately $1,135,000 and $906,000 in 2014 and 2013, respectively.

The 401(k) and profit sharing portion of the Plan provides for a tax deferred profit sharing contribution by the Company and an employee elective contribution with a matching provision. In 2014 and 2013, with respect to the 401(k) component of the Plan, the Company will contribute an amount up to 100% of the employees’ 401(k) contributions to a maximum of 5% of an employees’ annual compensation. An employee’s contribution may not exceed 60% of their annual salary or the maximum amount allowed as determined by the Internal Revenue Code. These Company contributions become fully vested after five years. The Company incurred approximately $855,000 and $783,000 of expense related to the 401(k) component of the Plan in 2014 and 2013, respectively. With respect to the profit sharing component of the Plan, each eligible participant may receive a profit sharing contribution in an amount to be determined by the Board of Directors not to exceed 6% plus an additional allocation for employees earning in excess of the taxable wage base. The Company incurred approximately $933,000 and $897,000 of expense related to the profit sharing component of the Plan in 2014 and 2013, respectively.

The Company sponsors a non-qualified, deferred compensation plan (the Compensation Plan) and trust for certain key executives providing for payments upon retirement, death or disability. The Compensation Plan permits eligible officers to defer a portion of their compensation. The Compensation Plan provides that, in the event of liquidation of the Company, all assets of the Compensation Plan will be available to meet the obligations of the Company. Included in both other invested assets and other liabilities are amounts of $14,141,709 and $11,943,883 at December 31, 2014 and 2013, respectively, related to the Compensation Plan. In accordance with NAIC SAP, the increase/(decrease) in market value of the assets of the Plan are recorded into income or expense to the Company. The Company incurred approximately $1,195,460 and $2,702,175 of expense related to the Compensation Plan in 2014 and 2013, respectively.

The Company also maintains an Incentive Compensation Plan (the ICP) for certain members of senior management. Under the terms of the ICP, participants were awarded "surplus shares" at the discretion of the Executive Committee of the Board of Directors. Four classes of surplus shares have been awarded under the ICP however, as of December 31, 2014, a total of 1,050 Class B shares were all that remained unexpired under the Plan. The value of each class of surplus share is determined based on excess capital and surplus as defined in the ICP. Shares become fully vested over a 10 year period or a shorter period, under certain conditions. The Company has incurred approximately ($20,560) and $1,016,416 of expense related to the ICP in 2014 and 2013, respectively.

A Long Term Incentive Plan (LTIP) was established by the Compensation Committee of the Board of Directors (the Committee) effective January 1, 2007 for certain members of management and highly compensated individuals (participants). Participants are granted a fixed dollar base award (the “Award”) contingent upon the anticipated growth of imputed surplus. The final earned amount of the Award is based on the actual growth levels of imputed surplus and is calculated upon imputed surplus as compared to Target, Threshold and Maximum Growth levels for an applicable performance period, generally three years. The actual earned amount of the Award can range from Zero to 150% of the fixed dollar base Award. Participants vest in the plan over three years, or a shorter period, under certain established conditions. The Company has incurred approximately $1,373,421 and $1,548,628 of expense related to the LTIP in 2014 and 2013, respectively.

H. Postemployment Benefits and Compensated Absences

The Company has no obligations to current or former employees for benefits after their employment but before their retirement other than for compensation related to earned vacation pay. The liability for earned but untaken vacation pay has been accrued.

I. Impact of Medicare Modernization Act on Postretirement Benefits

Not applicable

Note 13 - Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

1. Outstanding Shares

Not applicable

2. Dividend Rate of Preferred Stock

Not applicable

3. Dividend restrictions

Under the insurance regulations in Maine, the maximum amount of ordinary dividends that the Company may pay to policyholders in a twelve month period is limited to the greater of 10% of the most recent year-end policyholders’ surplus or the net income for that same year-end excluding realized capital gains. Accordingly, the maximum amount of ordinary dividends that the Company may pay to policyholders during 2014 and 2013 is $37,088,233 and $33,604,789, respectively. Dividends above this amount would be deemed extraordinary and may not be paid unless 1) not disapproved by the Superintendent of Insurance of Maine within 30 days of receiving notice of the declaration thereof or 2) approved within that thirty day period.

The Company has no outstanding preferred stock and there are no cumulative dividend features on the outstanding common stock.

4. Dates and Amounts of Dividends Paid

An ordinary dividend of $18,000,000 was declared by the Board of Directors on September 26, 2014 and $6,331 on March 21, 2014. $18,000,000 of this dividend was paid to eligible policyholders in November 2014.

5. Amount of Ordinary Dividends That May Be Paid

Other than the limitations described above in paragraph 3, there are no limitations on the amount of ordinary dividends that may be paid other than the general restriction under the insurance regulations of Maine that no dividend (ordinary or extraordinary) may be declared or paid from any source other than unassigned funds without approval of the Superintendent of Insurance of Maine.

6. Restrictions on Unassigned Funds

There are no restrictions on the unassigned funds of the Company other than those described above in paragraphs 3 and 5 and these unassigned funds are held for the benefit of the owner and policyholders.

As authorized by specific provisions of State law, the Company was formed as a special purpose mono-line workers' compensation insurer without any initial capital or surplus. To provide capital, each of the Company's policyholders were required to make a Capital Contribution equal to a percentage of final audited premium, 15% for policies issued in 1993 and 10% for policies issued in 1994 and 1995. Capital contributions were based on estimated annual premiums and are subsequently adjusted based on actual cancellations and premium audits. The Company suspended the Capital Contribution charge for policies effective January 1, 1996 and later. In 1998, the Company received approval from the Maine Bureau of Insurance to return capital contributions to the extent authorized by the Board of Directors and the Maine Bureau of Insurance. Cumulative capital contributions remaining as of December 31, 2014 and 2013 were $3,180,808 and $3,181,585, respectively. The Company returned $777 and $15,303, of capital contributions during calendar years 2014 and 2013, respectively, net of related write-offs.

7. Mutual Surplus Advances

Not applicable

8. Company Stock Held for Special Purpose

Not applicable

9. Changes in Special Surplus Funds

Not applicable

10. Change in Unassigned Funds

The portion of unassigned funds (surplus) represented by cumulative unrealized capital gains is $80,179,438 less applicable deferred taxes of $18,750,610, for a net balance of $61,428,828.

11. Surplus Notes

Date Issued	Interest Rate	Par Value (Face Amount of Note)	Carrying Value of Note	Principal and/or Interest Paid Current Year	Total Principal and/or Interest Paid	Unapproved Principal and/or Interest	Date of Maturity
None							

12. and 13. Impact and Dates of Quasi Reorganizations

Not applicable

<u>Note 14 - Liabilities, Contingencies and Assessments</u>

A. Contingent Commitments

1. Capital Commitments

The Company has a guarantee on an outstanding note payable from a local bank through its wholly owned subsidiary, CVH who is the single member of CVHII. CVHII secured the note with a local bank on March 1, 2011. See note 11 above. The Company also has commitments/guarantees regarding all operations of MEMIC Services, Inc. The Company has recorded all related liabilities.

2. Detail of Other Contingent Commitments

In January 2015 the Company contributed additional capital of $6,000,000 to MEMIC Indemnity. MEMIC Indemnity received approval from the New Hampshire Insurance Department on January 29, 2015 for discharge of the indenture and cancellation of a $6,000,000 surplus note issued in 2004. See Note 22.

Nature and Circumstances of Guarantee and Key Attributes, Including Date and Duration of Agreement	Liability Recognition of Guarantee	Ultimate Financial Statement Impact if Action under Guarantee Required	Maximum Potential Amount of Future Payments Guarantor Could be Required to Make	Current Status of Payment or Performance Risk of Guarantee
	None			
Total				

3. Summary of Detail in 14A2

Description	Amount
a. Aggregate maximum potential amount of future payments guarantor could be required to make	
b. Current liability recognized in financial statements:	
1. Noncontingent liabilities	
2. Contingent liabilities	
c. Ultimate financial statement impact if action under guarantee required.	
1. Investments in SCA	
2. Joint venture	None
3. Dividends to stockholders (capital contribution)	
4. Expense	
5. Other	
6. Total	

B. Assessments

1. Liability and Related Asset

The Company is subject to guaranty fund and other assessments by the states in which it writes business. Most assessments are recorded at the time the assessments are levied or, in the case of premium-based assessments, at the time the premiums are written or in the case of loss-based assessments, at the time the losses are incurred. Insurance company insolvencies in states where the Company writes business may result in guaranty fund assessments on future premiums. These assessments will be recorded as future premiums are written. Certain assessments that are unknown to the Company are accrued at the time of assessment.

The Company has accrued a liability for guaranty fund and other assessments of $1,170,726 and $1,385,082 and no related premium tax benefit asset at December 31, 2014 and 2013, respectively. The amounts recorded represent management's best estimates based on assessment rate information received from the states in which the Company writes business and the direct premiums written in those states. The liability is included in the taxes, licenses and fees liability and will be paid in the coming years. The following table would reflect the current year change in the premium tax benefit asset, however, the Company does not have the ability to recover assessments through policyholder surcharges so no related asset is recorded.

2. Rollforward of Related Asset

Not applicable

Description	Amount
a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year - end	
b. Decreases current year:	
Premium tax offsets applied	
Premium tax offsets charged off	None
Policy surcharges collected	
Policy surcharges charged off	
c. Increases current year:	
Premium tax offsets accrued	
Policy surcharges accrued	
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year - end	

C. Gain Contingencies

Not applicable

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

The Company paid the following amounts in the current year to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits.

	Direct
Claims related ECO and bad faith losses paid during the reporting period	None

Number of claims for which amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period.

a 0 - 25 Claims	b 26 - 50 Claims	c 51-100 Claims	d 101 - 500 Claims	e More than 500 Claims
X				

Indicate whether claim count information is disclosed per claim or per claimant: (f) Per Claim [X] (g) Per Claimant [ ]

E. Product Warranties

Not applicable

F. Joint and Several Liabilities

Not applicable

G. Other Contingencies

At the end of the current and prior year, the Company had $45,384,935 and $42,993,996 respectively admitted premiums receivable due from policyholders, agents and ceding insurers. The Company routinely assesses the collectability of these receivables. Based upon Company experience, any uncollectible premiums receivable as of the end of the current year are not expected to exceed non-admitted amounts totaling $1,185,522. The potential for any additional loss is not believed to be material to the Company's financial position and no additional provision for uncollectable amounts has been recorded.

Lawsuits arise against the Company in the normal course of business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company is contingently liable under certain immaterial structured settlement agreements (see note 27A).

Note 15 - Leases

A. Lessee Leasing Arrangements

1. The Company leases office space, various office equipment and vehicles under arrangements expiring through 2019. Total lease and rent expense was approximately $1,236,026 and $1,085,728 for the years ended December 31, 2014 and 2013, respectively. There are no contingent rentals, no terms of renewal or purchase options, escalation clauses or restrictions imposed by lease agreements.

2. Future minimum rental payments are as follows:

Year	Amount
2015	1,119,418
2016	411,581
2017	234,408
2018	123,814
2019	102,250
Subtotal	1,991,471
Thereafter	-
Total	1,991,471

3. The Company has not entered into any sale and leaseback arrangements.

B. Lessor Leasing Arrangements

1. Operating Leases

Not applicable

2. Leveraged Leases

Not applicable

Note 16 - Information about Financial Instruments with Off-Balance Sheet Risk

1. Face or Contract Amounts

Not applicable

Description	Assets		Liabilities	
	2014	2013	2014	2013
a. Swaps b. Futures c. Options				
d. Total	None			

2. Nature and Terms

Not applicable

3. Exposure to Credit - Related Losses

Not applicable

4. Collateral Policy

Not applicable

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

Not applicable

B. Transfers and Servicing of Financial Assets

Not applicable

C. Wash Sales

1. Not applicable

2. The details by NAIC Designation 3 or below or unrated securities sold during the year and reacquired within 30 days of the sale date are:

Description	NAIC Designation	Number of Transactions	Book Value of Securities Sold	Cost of Securities Repurchased	Gain (Loss)
Bonds Preferred Stocks	None				

Note 18 - Gain or Loss from Uninsured Plans and Uninsured Portion of Partially Insured Plans

A. Administrative Services Only (ASO) Plans

Not applicable

B. Administrative Services Contract (ASC) Plans

Not applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

Not applicable

Note 19 - Direct Premium Written / Produced by Managing General Agents / Third Party Administrators

Not applicable

Name and Address	FEI Number	Exclusive Contract	Type of Business Written	Type of Authority Granted	Direct Premium Written
		None			

Note 20 - Fair Value Measurements

A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value

1. Items Measured and Reported at Fair Value by Levels 1, 2 and 3

The Company has categorized its assets and liabilities that are reported on the balance sheet at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows.

Level 1- Quoted Prices in Active Markets for Identical Assets and Liabilities: This category, for items measured at fair value on a recurring basis, includes exchange-traded preferred and common stocks. The estimated fair value of the equity securities within this category are based on quoted prices in active markets and are thus classified as Level 1.

Level 2- Significant Other Observable Inputs: This category for items measured at fair value on a recurring basis includes bonds, which are not exchange-traded. The estimated fair values of some of these items were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded.

Level 3- Significant Unobservable Inputs: The Company has no assets or liabilities measured at fair value in this category.

Description	Level 1	Level 2	Level 3	Total
a. Assets on balance sheet at fair value				
Bonds				
Issuer obligations	-	1,162,845	-	1,162,845
Commercial mortgage-backed securities	-	-	-	-
Total bonds	-	1,162,845	-	1,162,845
Preferred stocks				
Industrial and miscellaneous	-	-	-	-
Total preferred stocks	-	-	-	-
Common stocks				
Industrial and miscellaneous		-	-	-
Subsidiary	117,920,075	-	-	117,920,075
Mutual Funds	14,141,709	-	-	14,141,709
Total common stocks	132,061,784	-	-	132,061,784
Other - short term investments	3,810,231	-	-	3,810,231
Total assets on balance sheet at fair value	135,872,015	1,162,845	-	137,034,860
b. Liabilities on balance sheet at fair value		NONE		
Derivative liabilities				
Total liabilities on balance sheet at fair value	-	-	-	-

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3 as stated in paragraph below.

2. Rollforward of Level 3 Items

The Company has no assets or liabilities measured at fair value in the Level 3 category so the following table does not apply.

Description	Balance January 1, 2014	Transfers into Level 3	Transfers out of Level 3	Total Gains (Losses) Included in Net Income	Total Total Gains (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Balance December 31, 2014
a. Assets										
Bonds										
Issuer obligations										
Commercial MBS										
Preferred stocks										
Perpetual										
Common stocks										
Industrial										
Subsidiary										
Mutual funds										
Total assets	None									
b. Liabilities										
Derivatives										
Total Liabilities	None									

3. Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company has no assets or liabilities measured at fair value in the Level 3 category.

Bonds carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations as quoted market prices for similar instruments in an active market were utilized. This was accomplished by the use of matrix pricing. Matrix pricing takes quoted prices of bonds with similar features and applies analytic methods to determine the fair value of bonds held. Features that are inputs into the analysis include duration, credit quality, tax status and call and sinking fund features.

5. Derivative Fair Values

Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Fair Values for All Financial Instruments by Levels 1, 2 and 3

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, joint ventures and ventures). The fair values are also categorized into the three-level fair value hierarchy as described above in Note 20A.

Type of Financial Instrument	Aggregate Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Financial instruments - assets						
Bonds	481,277,586	457,618,093	-	481,277,586	-	-
Preferred stocks	-	-	-	-	-	-
Common stocks	117,920,075	117,920,075	117,920,075	-	-	-
Mortgage Loans	-	-	-	-	-	-
Cash, cash equivalents and Short-term investments	12,783,503	12,783,503	12,783,503	-	-	-
Other - mutual funds	14,141,709	14,141,709	14,141,709	-	-	-
Other - collateral loan	-	-	-	-	-	-
Total assets	626,122,873	602,463,380	144,845,287	481,277,586	-	-
Financial instruments - liabilities						
Derivatives liabilities	None					
Total liabilities	-	-	-	-	-	-

D. Items for which Not Practicable to Estimate Fair Values

Not applicable

Type or Class of Financial Instrument	Carrying Value	Effective Interest rate	Maturity Date	Explanation
Total	None			

Note 21 - Other Items

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

C. Other Disclosures

Assets in the amount of $3,697,296 (Par Value $3,560,000) and $3,709,821 (Par Value $3,560,000) at December 31, 2014 and 2013, respectively, were on deposit with government authorities or trustees as required by insurance or federal law.

D. Business Interruption Insurance Recoveries

Not applicable

E. State Transferable and Non-Transferable Tax credits

Not applicable

F. Subprime Mortgage Related Risk Exposure

1. Subprime Mortgage Exposures

The Company invests in several asset classes that could potentially be adversely affected by subprime mortgage exposure. These investments may include mortgage loans, mortgaged-backed securities and equity investments in financial institutions. The Company believes that its greatest exposure is to unrealized losses from declines in asset values versus realized losses resulting from defaults or foreclosures. Conservative lending and investment practices limit the Company's exposure to such losses.

2. Direct Exposure - Mortgage Loans

Not applicable

	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Value of Land and Buildings	OTTI Recognized	Default Rate
a. Mortgages in the process of foreclosure					
b. Mortgages in good standing					
c. Mortgages with restructured terms					
d. Total	None				

3. Direct Exposure - Other Investment Classes

The Company has several other investment classes that may have subprime mortgage exposure including:

Residential mortgage-backed securities

Structured loan-backed securities

Debt obligations of unaffiliated financial institutions participating in subprime lending

Unaffiliated equity securities, common, issued by financial institutions participating in subprime lending

The Company has reviewed its mortgage-backed security portfolio and determined that all of these investments are in pools that are backed by loans made to well qualified borrowers or in tranches that have minimal default risk. All bonds held that were issued by financial institutions participating in subprime lending activities are investment grade quality. Default risk on these bonds appears minimal. The impact on these investments should the subprime credit crisis worsen cannot be assessed at this time.

The following is a summary of the Company's other investments with subprime exposure and other-than-temporary impairments (OTTI) recognized.

	Actual Cost	Book/Adjusted Carrying Value	Fair Value	OTTI Recognized
a. Residential mortgage-backed securities	73,639	74,025	74,608	-
b. Commercial mortgage-backed securities	-	-	-	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	-	-	-	-
e. Affiliated debt and equity interest in financial institutions	-	-	-	-
f. Other assets (unaffiliated equity interest in financial institutions)	-	-	-	-
Totals	73,639	74,025	74,608	-

4. Underwriting Exposure

Not applicable

Note 22 - Events Subsequent

Subsequent events have been considered through February 20, 2015 for these statutory financial statements which are available to be issued February 20, 2015. In January 2015 the Company contributed additional capital of $6,000,000 to MEMIC Indemnity. MEMIC Indemnity received approval from the New Hampshire Insurance Department on January 29, 2015 for discharge of the indenture and cancellation of the $6,000,000 surplus note issued in 2004. In conjunction with this transaction the Company provided this additional $6,000,000 in capital contributions to MEMIC Indemnity so the net surplus of MEMIC Indemnity would not be impacted by this transaction.

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverables

The Company's unsecured reinsurance balances (including ceded case and IBNR reserves) in excess of 3% of policyholders' surplus with any one reinsurer are displayed below:

NAIC Code	Federal ID #	Name of Reinsurer	Amount
22039	13-2673100	General Reinsurance Corp	16,175,745

B. Reinsurance Recoverable in Dispute

The Company does not have reinsurance recoverables in dispute for paid losses and loss adjustment expenses that exceed 5% of policyholders' surplus from an individual reinsurer or exceed 10% of policyholder surplus in aggregate. There are no amounts in dispute at December 31, 2014 or December 31, 2013.

Name of Reinsurer	Total Amount in Dispute (Including IBNR)	Status of Dispute		
		Notification	Arbitration	Litigation
None				

C. Reinsurance Assumed and Ceded and Protected Cells

1. The following table summarizes ceded and assumed unearned premiums and the related commission equity at the end of the current year.

	Assumed		Ceded		Assumed Less Ceded	
	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity	Unearned Premiums	Commission Equity
a. Affilitates	-	-	-	-	-	-
b. All other	-	-	-	-	-	-
c. Totals	-	-	-	-	-	-
d. Direct Unearned Premium Reserve			66,517,352			

2. Certain agency agreements and ceded reinsurance contracts on the employment practices liability insurance line of business provide for additional or return commissions based on the actual loss experience of the produced or reinsured business. There are no current year amounts accrued.

Description	Direct	Assumed	Ceded	Net
a. Contingent commissions				
b. Sliding scale adjustments				
c. Other profit commissions				
d. Totals	None			

Under the Company's reinsurance agreement for Employment Practices Liability Insurance a 30% profit commission shall be paid to the Company on the difference between "income" (net premium and claims refunds) and "outgo" (return premiums, paid claims, outstanding claims, claim costs and expenses, 30% of return premium in respect of underwriters expenses and deficit, if any brought forward) for each underwriting year.

In the event the Profit Commission calculations for any one underwriting year results in a deficit, the total amount of such deficit shall be shown as an item of "outgo" on the Profit Commission statement for the ensuing year or years. No Profit Commission shall be restored on such ensuing year or years until the previous loss has been expunged and a profit balance restored.

A provision calculation shall be made at 12 months after the expiration of each underwriting year with an annual adjustment thereafter until all risks have expired and all outstanding claims have been settled. There were no amounts for Ceded profit sharing commissions accrued as of December 31, 2014. The Company received $147,773 in profit sharing commissions on this line of business during 2014 but has not accrued any future receivable due to the uncertainty inherent in claims reserves.

3. The Company does not use protected cells as an alternative to traditional reinsurance.

D. Uncollectible Reinsurance

During the most recent year, the Company did not write off any reinsurance balances.

Statement of Income Account	Amount
a. Losses Incurred	-
b. Loss adjustment expenses incurred	-
c. Premiums earned	-
d. Other	-
Total	None
Reinsurer	**Amount**
	-
Total	None

E. Commutation of Ceded Reinsurance

The Company commuted two reinsurance contracts with General Reinsurance in January 2014 however the gain contingency was recorded in December 2013 and disclosed as a subsequent event in the prior annual statement. There was no net impact in the income statement or balance sheet as a result of this commutation during 2014.

Statement of Income Account	Amount
1. Losses incurred	-
2. Loss adjustment expenses incurred	-
3. Premiums earned	-
4. Other	-
Total	-
Reinsurer	**Amount**
GenRe	-
Total	-

F. Retroactive Reinsurance

Not applicable

G. Reinsurance Accounted for as a Deposit

Not applicable

H. Run-off Agreements

Not applicable

I. Certified Reinsurer Downgraded or Status Subject to Revocation

Not applicable

Note 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Method Used to Estimate

The Company sells workers compensation policies for which the premiums vary based on loss experience. Future premium adjustments for these retrospective policies are estimated and accrued. The Company estimates these accrued retrospective premium adjustments through the review of each individual retrospectively rated risk, comparing case basis loss development with that anticipated in the policy contracts to arrive at the best estimates of return or additional retrospective premiums.

B. Method Used to Record

The Company records the retrospective premium accruals as earned by adjusting unearned premiums. These amounts are not recorded as premiums written until they are billed to the policyholders. Return premiums are recorded as liabilities and additional premiums are recorded as assets.

C. Amount and Percent of Net Retrospective Premiums

Net premiums written for the current year on retrospective workers compensation policies was 0% of total workers compensation net premiums written.

D. Medical Loss Ratio Rebates

Not applicable

E. Calculation of Nonadmitted Accrued Retrospective Premiums

Ten percent of the amount of accrued retrospective premiums not offset by retrospective return premiums, other liabilities to the same party (other than loss and loss adjustment expense reserves), or permitted collateral, has been non-admitted. The calculation of the non-admitted and admitted amounts is summarized as follows:

Accrued Retrospective Premiums	Amount
a. Total accrued asset for retrospective premiums	None
b. Unsecured amounts	
c. Non-admitted amount, 10% of unsecured	
d. Non-admitted for any person for whom agents' balance or uncollected premiums are nonadmitted	
e. Admitted amount (a - c - d)	-

The Company has no active retrospective policies open as of December 31, 2014.

F. Risk Sharing Provisions of the Affordable Care Act (ACA)

1. Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO) _NO_

2. Impact of Risk Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year:

a.	Permanent ACA Risk Adjustment Program		Amount
	Assets		**NONE**
	1.	Premium adjustments receivable due to the ACA Risk Adjustment	-
	Liabilities		
	2.	Risk adjustment user fees payable for ACA Risk Adjustment	-
	3.	Premium adjustments payable due to the ACA Risk Adjustment	-
	Operations (Revenue & Expenses)		
	4.	Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	-
	5.	Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	-
b.	Transitional ACA Reinsurance Program		
	Assets		**NONE**
	1.	Amounts recoverable for claims paid due to ACA Reinsurance	-
	2.	Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	-
	3.	Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	-
	Liabilities		**NONE**
	4.	Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	-
	5.	Ceded reinsurance premiums payable due to ACA Reinsurance	-
	6.	Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	-
	Operations (Revenue & Expenses)		**NONE**
	7.	Ceded reinsurance premiums due to ACA Reinsurance	-
	8.	Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	-
	9.	ACA Reinsurance contributions - not reported as ceded premium	-
c.	Temporary ACA Risk Corridors Program		**NONE**
	Assets		
	1.	Accrued retrospective premium due to ACA Risk Corridors	-
	Liabilities		
	2.	Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	-
	Operations (Revenue & Expenses)		
	3.	Effect of ACA Risk Corridors on net premium income (paid/received)	-
	4.	Effect of ACA Risk Corridors on change in reserves for rate credits	-

3. Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any non-admission) and liability balances along with the reasons for adjustments to the prior year balance:

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 Prior Year		Differences: Prior Year Accrued Less Payments (Col. 1-3)	Differences: Prior Year Accrued Less Payments (Col. 2-4)
	1	2	3	4	5	6
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program						
1. Premium adjustments receivable	-	-	-	-	-	-
2. Premium adjustments (payable)	-	-	-	-	-	-
3. Subtotal ACA Permanent Risk Adjustment Program	-	-	-	-	-	-
b. Transitional ACA Reinsurance Program						
1. Amounts recoverable for claims paid	-	-	-	-	-	-
2. Amounts recoverable for claims unpaid (contra liability)	-			-	-	-
3. Amounts receivable relating to uninsured plans	-	None		-	-	-
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	-			-	-	-
5. Ceded reinsurance premiums payable	-	-	-	-	-	-
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-
7. Subtotal ACA Transitional Reinsurance	-	-	-	-	-	-
c. Tempoarary ACA Risk Corridors Program						
1. Accrued retrospective premium	-	-	-	-	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-
3. Subtotal ACA Risk Corridors Program	-	-	-	-	-	-
d. Total for ACA Risk Sharing Provisions	-	-	-	-	-	-

	Adjustments: To Prior Year Balances	Adjustments: To Prior Year Balances		Unsettled Balances as of the Reporting Date: Cumulative Balance from Prior Years (Col. 1-3+7)	Unsettled Balances as of the Reporting Date: Cumulative Balance from Prior Years (Col. 2-4+8)
	7	8	9	10	11
	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program					
1. Premium adjustments receivable	-	-	A	-	-
2. Premium adjustments (payable)	-	-	B	-	-
3. Subtotal ACA Permanent Risk Adjustment Program	-	-		-	-
b. Transitional ACA Reinsurance Program					
1. Amounts recoverable for claims paid	-	-	C	-	-
2. Amounts recoverable for claims unpaid (contra liability)			D	-	-
3. Amounts receivable relating to uninsured plans	None		E	-	-
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium			F	-	-
5. Ceded reinsurance premiums payable	-	-	G	-	-
6. Liability for amounts held under uninsured plans	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance Program	-	-		-	-
c. Tempoarary ACA Risk Corridors Program					
1. Accrued retrospective premium	-	-	I	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	J	-	-
3. Subtotal ACA Risk Corridors Program	-	-	K	-	-
d. Total for ACA Risk Sharing Provisions	-	-		-	-

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses attributable to insured events as of December 31, 2013 were $326,249,000. As of December 31, 2014, $62,091,000 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $256,668,000 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on the workers' compensation line of business. Therefore, there has been a $7,490,000 favorable prior year development since December 31, 2013. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. There was no impact on reserves or surplus as a result of development of retrospectively rated policies.

The first two columns in the chart below reflect by line of business the expense on the Statement of Income and what that expense would have been without prior year development (from Schedule P - Part 1). The third column is the difference between the first two columns and reflects the favorable development of $7,490,000. Increases or decreases of this nature occur as the result of claim settlements and receipt and evaluation of additional information regarding unpaid claims. Recent development trends are also taken into account in evaluating the overall adequacy of reserves. The last two columns reconcile the redundancy shown in the third column to the information shown in Schedule P- Part 2 which includes losses and the defense and cost containment (DCC) portion of LAE but excludes the adjusting and other (AO) portion of LAE.

Schedule P Lines of Business	Current Calendar Year Losses and LAE Incurred	Current Loss Year Losses and LAE Incurred Sch. P - Part 1	Prior Year Loss and LAE Shortage (Redundancy)	Loss and DCC Shortage (Redundancy) Sch. P - Part 2	AO Shortage (Redundancy)
Workers' compensation	102,761,000	110,251,000	(7,490,000)	(9,251,000)	1,761,000
Other liability occurrence	-	-	-	-	-
Other liability claims-made	247,000	247,000	-	-	-
Totals	103,008,000	110,498,000	(7,490,000)	(9,251,000)	1,761,000

Note 26 - Intercompany Pooling Arrangements

Not applicable

Note 27 - Structured Settlements

A. Reserves Released Due to Purchase of Annuities

The Company has purchased annuities wherein the claimants are payees and which the Company is contingently liable in case of default by the Life Insurance Company that pays the annuity. In the event of default the Company would be contingently liable for approximately $156,304 the outstanding value of the annuity.

Reserves Eliminated By Annuities	Unrecorded Loss Contingencies
-	-

B. Annuity Insurers with Balances Due Greater than 1% of Policyholders' Surplus

The Company has not purchased annuities from life insurers under which the Company is payee and, therefore, no balances are due from such annuity insurers.

Life Insurance Company and Location	Licensed in Company's State of Domicile Yes/No	Statement Value (i.e., Present Value of Annuities)
None		

Note 28 - Health Care Receivables

A. and B. Not applicable

Note 29 - Participating Policies

Not applicable

Note 30 - Premium Deficiency Reserves

The company evaluated the need to record a premium deficiency reserve as of the end of the current year and determined that an additional liability was not required.

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property Casualty Contracts Premiums.

1. Liability for premium deficiency reserve	-
2. Date of most recent evaluation	2/7/2015
3. Was anticipated investment income utilized in calculation?	Yes [x] No [ ]

Note 31 - High Deductibles

At the end of the current year, the amount of reserve credit recorded for high deductibles on unpaid losses was zero. The amounts billed and recoverable at the end of the current year was zero.

Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

A. Tabular Discounts

Not applicable

	Tabular Discounts	
	Case	IBNR
4. Workers' compensation		
5. Commercial mutiple peril		
9. Other liability - occurrence		
23. Total	None	

B. Non-Tabular Discounts

Not applicable

C. Changes in Discount Assumptions

Not applicable

Note 33 – Asbestos and Environmental Reserves

A. Five-Year Rollforward of Asbestos Reserves, Direct, Assumed and Net

The company has no Asbestos/Environmental reserve recorded or necessary

	December 31,				
	2010	2011	2012	2013	2014
1. Asbestos, Direct	None				
a. Beginning reserves - including case, bulk and IBNR, and LAE					
b. Losses and LAE incurred					
c. Calendar year payments for losses and LAE					
d. Ending reserves - including case, bulk and IBNR, and LAE					
2. Asbestos, Assumed					
3. Asbestos, Net					
a. Beginning reserves - including case, bulk and IBNR, and LAE					
b. Losses and LAE incurred					
c. Calendar year payments for losses and LAE					
d. Ending reserves - including case, bulk and IBNR, and LAE					

B. Asbestos IBNR and Bulk Reserve, Direct, Assumed and Net

1. Direct	None
2. Assumed	
3. Net	

C. Asbestos LAE Reserve, Direct, Assumed and Net

1. Direct	None
2. Assumed	
3. Net	

D. Five-Year Rollforward of Environmental Reserves, Direct, Assumed and Net

	December 31,				
	2010	2011	2012	2013	2014
1. Environmental, Direct	None				
2. Environmental, Assumed					
3. Environmental, Net					

E. Environmental IBNR and Bulk Reserve, Direct, Assumed and Net

1. Direct	
2. Assumed	**None**
3. Net	

F. Environmental LAE Reserve, Direct, Assumed and Net

1. Direct	
2. Assumed	**None**
3. Net	

Note 34 - Subscriber Savings Accounts

Not applicable

Note 35 - Multiple Peril Crop Insurance

Not applicable

Note 36 - Financial Guaranty Insurance

A. and B. Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

If yes, complete Schedule Y, Parts 1, 1A and 2.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State regulating? Maine

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2012

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2012

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/22/2014

3.4 By what department or departments?
Maine Bureau of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [X] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Co. Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control ....%

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9\. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PricewaterhouseCoopers, LLC, 125 High Street, Boston, MA 02110

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the answer to 10.5 is no or n/a, please explain.

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
David Mohman FCAS, MAAA Towers Watson, 175 Powder Forest Drive, Weatogue, CT 06089

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [X] No [ ]

12.11 Name of real estate holding company
Casco View Holdings, LLC, Casco Viewing Holdings II, LLC & Casco View Holdings III, LLC

12.12 Number of parcels involved 4

12.13 Total book/adjusted carrying value $......................18,368,663

12.2 If yes, provide explanation.
Casco View Holdings, LLC, Casco Viewing Holdings II, LLC & Casco View Holdings III, LLC are 100% owned by the Company.

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers $..0
20.12 To stockholders not officers $..0
20.13 Trustees, supreme or grand (Fraternal only) $..0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers $..0
20.22 To stockholders not officers $..0
20.23 Trustees, supreme or grand (Fraternal only) $..0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others ....
21.22 Borrowed from others ....
21.23 Leased from others ....
21.24 Other ....

PART 1 - COMMON INTERROGATORIES - FINANCIAL

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment ....

22.22 Amount paid as expenses ....

22.23 Other amounts paid ....

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. $..........0

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [X] No [ ]

24.02 If no, give full and complete information relating thereto.

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. ....

24.06 If answer to 24.04 is no, report amount of collateral for other programs. ....

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. ....

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. ....

24.103 Total payable for securities lending reported on the liability page. ....

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03) Yes [X] No [ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements $..........0

25.22 Subject to reverse repurchase agreements $..........0

25.23 Subject to dollar repurchase agreements $..........0

25.24 Subject to reverse dollar repurchase agreements $..........0

25.25 Placed under option agreements $..........0

25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock $..........0

25.27 FHLB Capital Stock $..........0

25.28 On deposit with states $..........3,030,751

25.29 On deposit with other regulatory bodies $..........666,545

25.30 Pledged as collateral - excluding collateral pledged to an FHLB $..........0

25.31 Pledged as collateral to FHLB - including assets backing funding agreements $..........0

25.32 Other $..........0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year: ....

28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Key Private Bank	One Canal Plaza, 2nd Floor, Portland ME 04101

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
105900	GenRe/New England Asset Management	76 Batterson Park Rd, Farmington, CT 06032
107423	Conning Asset Management	One Financial Plaza, Hartford, CT 06103

PART 1 - COMMON INTERROGATORIES - INVESTMENT

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [X]

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999. TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	461,428,324	485,087,817	23,659,493
30.2 Preferred stocks			0
30.3 Totals	461,428,324	485,087,817	23,659,493

30.4 Describe the sources or methods utilized in determining the fair values:
The Fair Value is primarily determined by widely accepted third party vendors, followed by a hierarchy using broker/dealer quotes index pricing, models using analytical data and Bloomberg pricing.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ ] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $1,349,635

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
National Council on Compensation Insurance	1,266,520

34.1 Amount of payments for legal expenses, if any? $182,441

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Gallagher, Callahan & Gartrell, PA	59,672
Pierce Atwood	96,123

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $7,268

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
NAMIC	4,193
Pierce Atwood	3,075

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U.S. business only. $..................................0

1.3 What portion of item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ....

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. ....

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $..................................0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned ....

1.62 Total incurred claims ....

1.63 Number of covered lives ....

All years prior to most current three years:

1.64 Total premium earned ....

1.65 Total incurred claims ....

1.66 Number of covered lives ....

1.7 Group policies:

Most current three years:

1.71 Total premium earned ....

1.72 Total incurred claims ....

1.73 Number of covered lives ....

All years prior to most current three years:

1.74 Total premium earned ....

1.75 Total incurred claims ....

1.76 Number of covered lives ....

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator...	....	....
2.2 Premium Denominator.......................................	$............139,421,100	....
2.3 Premium Ratio (2.1/2.2).....................................	..............................0.0	..............................0.0
2.4 Reserve Numerator..	....	....
2.5 Reserve Denominator..	$............400,709,994	....
2.6 Reserve Ratio (2.4/2.5)......................................	..............................0.0	..............................0.0

3.1 Does the reporting entity issue both participating and non-participating policies? Yes [ ] No [X]

3.2 If yes, state the amount of calendar year premiums written on:

3.21 Participating policies ....

3.22 Non-participating policies ....

4. FOR MUTUAL REPORTING ENTITIES AND RECIPROCAL EXCHANGES ONLY:

4.1 Does the reporting entity issue assessable policies? Yes [X] No [ ]

4.2 Does the reporting entity issue non-assessable policies? Yes [ ] No [X]

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? ....100.0 %

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. $..................................0

5. FOR RECIPROCAL EXCHANGES ONLY:

5.1 Does the exchange appoint local agents? Yes [ ] No [ ]

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation Yes [ ] No [ ] N/A [X]

5.22 As a direct expense of the exchange Yes [ ] No [ ] N/A [X]

5.3 What expenses of the exchange are not paid out of the compensation of the Attorney-in-fact?

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [ ] No [X]

5.5 If yes, give full information:

6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

The Company utilizes excess of loss reinsurance to protect itself against catastrophic losses.
The Company's program is placed with a consortium of highly-rated reinsurers.

6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:

Paid, case and other reserve actuarial analysis perform by Towers Watson, consulting actuaries.

6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?

Property losses are not insured by the Company.

6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No [ ]

6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss:

Property losses are not insured by the Company.

7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [ ] No [X]

7.2 If yes, indicate the number of reinsurance contracts containing such provisions. ....

7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [ ] No [X]

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [ ] No [X]

8.2 If yes, give full information:

9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
- (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity? Yes [ ] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract? Yes [ ] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
- (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [ ] No [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
- (a) The entity does not utilize reinsurance; or Yes [ ] No [X]
- (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [ ] No [X]
- (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [ ] No [X]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurance a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [ ] N/A [ ]

11.1 Has this reporting entity guaranteed policies issued by any other reporting entity and now in force? Yes [ ] No [X]

11.2 If yes, give full information:

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the assets schedule, Page 2, state the amount of corresponding liabilities recorded for:

12.11 Unpaid losses	$0
12.12 Unpaid underwriting expenses (including loss adjustment expenses)	$0

12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds: $0

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [ ] No [X] N/A [ ]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

12.41 From	%
12.42 To	%

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [X] No [ ]

12.6 If yes, state the amount thereof at December 31 of current year:

12.61 Letters of credit	$250,000
12.62 Collateral and other funds	$0

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation): $0

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [ ] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 0

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [X] No [ ]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:

Insurance premium and losses incurred are calculated and recorded on the Company who originated the policy.

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [ ] No [X]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [X] No [ ]

14.5 If the answer to 14.4 is no, please explain:

15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [ ] No [X]

15.2 If yes, give full information:

16.1 Does the reporting entity write any warranty business? Yes [ ] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home					
16.12 Products					
16.13 Automobile					
16.14 Other*					

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F-Part 3 that it excludes from Schedule F-Part 5? Yes [ ] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from inclusion in Schedule F-Part 5.

Provide the following information for this exemption:

17.11 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

17.12 Unfunded portion of Interrogatory 17.11

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11

17.14 Case reserves portion of Interrogatory 17.11

17.15 Incurred but not reported portion of Interrogatory 17.11

17.16 Unearned premium portion of Interrogatory 17.11

17.17 Contingent commission portion of Interrogatory 17.11

Provide the following information for all other amounts included in Schedule F-Part 3 and excluded from Schedule F-Part 5, not included above:

17.18 Gross amount of unauthorized reinsurance in Schedule F-Part 3 excluded from Schedule F-Part 5

17.19 Unfunded portion of Interrogatory 17.18

17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18

17.21 Case reserves portion of Interrogatory 17.18

17.22 Incurred but not reported portion of Interrogatory 17.18

17.23 Unearned premium portion of Interrogatory 17.18

17.24 Contingent commission portion of Interrogatory 17.18

18.1 Do you act as a custodian for health savings account? Yes [ ] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date.

18.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

18.4 If yes, please provide the balance of the funds administered as of the reporting date.

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2014	2 2013	3 2012	4 2011	5 2010
Gross Premiums Written (Page 8, Part 1B, Cols. 1, 2 & 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	145,551,182	137,439,994	130,646,478	127,911,758	121,593,177
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	145,551,182	137,439,994	130,646,478	127,911,758	121,593,177
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	141,109,836	133,425,799	126,479,780	123,990,341	117,471,545
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	141,109,836	133,425,799	126,479,780	123,990,341	117,471,545
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	5,240,528	(957,533)	18,597,271	4,437,808	25,561,439
14. Net investment gain (loss) (Line 11)	29,456,163	24,730,572	24,262,504	28,218,348	20,920,005
15. Total other income (Line 15)	84,884	(95,676)	7,882	(154,957)	(408,417)
16. Dividends to policyholders (Line 17)	18,006,331	16,000,000	13,000,000	12,055,419	10,999,955
17. Federal and foreign income taxes incurred (Line 19)	(1,543,402)	313,819	6,527,065	2,444,293	9,140,019
18. Net income (Line 20)	18,318,646	7,363,544	23,340,592	18,001,487	25,933,053
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	830,432,532	795,621,566	749,257,408	716,425,851	694,328,161
20. Premiums and considerations (Page 2, Col. 3):					
20.1 In course of collection (Line 15.1)	6,156,778	5,221,398	6,312,382	6,574,172	5,447,153
20.2 Deferred and not yet due (Line 15.2)	39,228,157	37,760,684	34,233,987	32,319,135	30,994,600
20.3 Accrued retrospective premiums (Line 15.3)		11,914	50,424	11,152	371
21. Total liabilities excluding protected cell business (Page 3, Line 26)	436,574,127	424,739,234	413,209,519	415,308,577	408,431,221
22. Losses (Page 3, Line 1)	293,646,012	289,579,456	287,330,381	296,440,251	294,844,482
23. Loss adjustment expenses (Page 3, Line 3)	41,241,516	36,669,392	34,495,446	33,453,824	32,195,606
24. Unearned premiums (Page 3, Line 9)	65,822,466	64,146,968	59,887,611	59,738,660	58,434,910
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	393,858,405	370,882,332	336,047,889	301,117,274	285,896,940
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	11,535,143	7,969,858	24,402,052	12,968,271	6,831,729
Risk-Based Capital Analysis					
28. Total adjusted capital	393,858,405	370,882,332	336,047,889	301,117,274	285,896,940
29. Authorized control level risk-based capital	33,963,835	26,528,685	22,058,958	21,765,099	20,578,512
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Item divided by Page 2, Line 12, Col. 3) x 100.0					
30. Bonds (Line 1)	60.1	62.4	68.0	73.3	75.3
31. Stocks (Lines 2.1 & 2.2)	33.9	32.2	27.1	22.4	19.6
32. Mortgage loans on real estate (Lines 3.1 & 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)					
34. Cash, cash equivalents and short-term investments (Line 5)	1.7	1.7	2.0	1.6	3.3
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	2.4	2.0	1.7	1.7	0.9
38. Receivable for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)	1.9	1.6	1.2	0.9	0.9
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	99.9	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Sch. D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Sch. D, Summary, Line 24, Col. 1)	140,496,615	118,964,151	98,449,100	67,632,319	57,135,014
45. Affiliated short-term investments (subtotals included in Schedule DA, Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated		14,444,503	11,529,661	11,162,386	5,792,488
48. Total of above lines 42 to 47	140,496,615	133,408,654	109,978,761	78,794,705	62,927,502
49. Total investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	35.7	36.0	32.7	22.5	20.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2014	2 2013	3 2012	4 2011	5 2010
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	7,855,962	21,923,987	9,471,832	(4,627,790)	10,719,858
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	22,976,073	34,834,443	34,930,615	15,220,334	44,779,024
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	89,006,230	82,965,099	74,414,126	79,645,547	81,020,243
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	89,006,230	82,965,099	74,414,126	79,645,547	81,020,243
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	80,518,391	79,570,328	72,428,591	77,127,508	78,519,505
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)					
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)					
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)	80,518,391	79,570,328	72,428,591	77,127,508	78,519,505
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	60.7	63.4	50.1	64.2	53.3
68. Loss expenses incurred (Line 3)	13.2	12.3	10.6	10.0	4.0
69. Other underwriting expenses incurred (Line 4)	22.4	25.0	24.6	22.2	21.3
70. Net underwriting gain (loss) (Line 8)	3.8	(0.7)	14.7	3.6	21.4
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	22.0	24.3	24.5	22.1	22.0
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	73.9	75.7	60.7	74.2	57.3
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35, divided by Page 3, Line 37, Col. 1 x 100.0)	35.8	36.0	37.6	41.2	41.1
One Year Loss Development (000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2-Summary, Line 12, Col. 11)	(9,251)	(5,105)	(21,042)	(5,029)	(18,233)
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100)	(2.5)	(1.5)	(7.0)	(1.8)	(7.6)
Two Year Loss Development (000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2-Summary, Line 12, Col. 12)	(14,460)	(24,338)	(22,833)	(22,605)	(17,643)
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(4.3)	(8.1)	(8.0)	(9.4)	(8.1)

If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

($000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	Number of
	Direct and Assumed	Ceded	Net (Cols. 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Cols. 4 - 5 + 6 - 7 + 8 - 9)	Claims Reported-Direct and Assumed
1. Prior	XXX	XXX	XXX	6,415	1,798	153	52	237			4,955	XXX
2. 2005	157,691	6,519	151,172	83,962	2,257	3,437	30	6,920		1,119	92,032	XXX
3. 2006	157,455	4,292	153,163	76,962	6,187	2,951	1	7,180		863	80,905	XXX
4. 2007	150,224	2,937	147,287	71,302		3,114		7,453		1,614	81,869	XXX
5. 2008	143,213	3,328	139,885	71,643	33	3,232		7,513		1,250	82,355	XXX
6. 2009	133,859	3,822	130,037	64,326	165	3,334		7,420		851	74,915	XXX
7. 2010	123,471	4,073	119,398	55,582	372	3,105		6,776		1,026	65,091	XXX
8. 2011	126,727	4,028	122,699	48,845	371	2,595		6,781		744	57,850	XXX
9. 2012	130,463	4,092	126,371	47,099	207	2,658		7,555		340	57,105	XXX
10. 2013	133,090	3,966	129,124	42,396	122	2,326		7,626		394	52,226	XXX
11. 2014	143,819	4,398	139,421	25,563	396	1,163		5,948		34	32,278	XXX
12. Totals	XXX	XXX	XXX	594,095	11,908	28,068	83	71,409	0	8,235	681,581	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22		Total	Number of
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded	Salvage and Subrogation Anticipated	Net Losses and Expenses Unpaid	Claims Outstanding-Direct and Assumed
1. Prior	13,049	7,231	22,575	7,425	558	67	3,683	162	4,295			29,275	XXX
2. 2005	5,260		7,030		187		573		1,066			14,116	XXX
3. 2006	2,416		3,693	27	186		237	4	582		61	7,083	XXX
4. 2007	6,286		14,003		236		846		1,612		65	22,983	XXX
5. 2008	4,174		8,796		287		561		776		299	14,594	XXX
6. 2009	5,222		12,052		406		443		605		387	18,728	XXX
7. 2010	4,252		18,655	(1)	418		729		273		485	24,328	XXX
8. 2011	4,343	3	25,728	909	613		1,874		185		675	31,831	XXX
9. 2012	6,158	33	33,408	1,003	969		2,781		398		868	42,678	XXX
10. 2013	10,614	293	36,271	1,906	1,658	1	2,919	49	1,839		1,117	51,052	XXX
11. 2014	15,935	200	53,565	809	2,330		3,751		3,648		1,477	78,220	XXX
12. Totals	77,709	7,760	235,776	12,078	7,848	68	18,397	215	15,279	0	5,434	334,888	XXX

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves after Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter-Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX			XXX	20,968	8,307
2. 2005	108,435	2,287	106,148	68.8	35.1	70.2				12,290	1,826
3. 2006	94,207	6,219	87,988	59.8	144.9	57.4				6,082	1,001
4. 2007	104,852	0	104,852	69.8	0.0	71.2				20,289	2,694
5. 2008	96,982	33	96,949	67.7	1.0	69.3				12,970	1,624
6. 2009	93,808	165	93,643	70.1	4.3	72.0				17,274	1,454
7. 2010	89,790	371	89,419	72.7	9.1	74.9				22,908	1,420
8. 2011	90,964	1,283	89,681	71.8	31.9	73.1				29,159	2,672
9. 2012	101,026	1,243	99,783	77.4	30.4	79.0				38,530	4,148
10. 2013	105,649	2,371	103,278	79.4	59.8	80.0				44,686	6,366
11. 2014	111,903	1,405	110,498	77.8	31.9	79.3				68,491	9,729
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX	0	0	XXX	293,647	41,241

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements, which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	Incurred Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted) 1 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014	DEVELOPMENT 11 One Year	12 Two Year
1. Prior	182,573	182,110	184,222	168,724	168,658	153,576	153,412	157,292	155,239	152,104	(3,135)	(5,188)
2. 2005	100,999	101,180	98,938	98,923	98,908	96,952	96,952	94,803	97,833	98,162	329	3,359
3. 2006	XXX	105,892	100,569	99,949	99,951	99,304	96,991	92,522	84,384	80,226	(4,158)	(12,296)
4. 2007	XXX	XXX	99,867	96,922	96,898	96,923	95,080	91,504	94,418	95,787	1,369	4,283
5. 2008	XXX	XXX	XXX	95,899	95,707	96,020	96,028	92,278	92,996	88,660	(4,336)	(3,618)
6. 2009	XXX	XXX	XXX	XXX	90,165	89,279	89,219	85,178	83,979	85,618	1,639	440
7. 2010	XXX	XXX	XXX	XXX	XXX	86,215	85,558	81,859	82,888	82,370	(518)	511
8. 2011	XXX	XXX	XXX	XXX	XXX	XXX	89,019	85,781	86,184	82,715	(3,469)	(3,066)
9. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	90,715	88,906	91,830	2,924	1,115
10. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	93,709	93,813	104	XXX
11. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	100,902	XXX	XXX
										12. Totals	(9,251)	(14,460)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	Cumulative Paid Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted) 1 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014	11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
1. Prior	000	36,697	62,629	79,246	94,238	103,793	112,636	117,668	122,406	127,124	XXX	XXX
2. 2005	19,266	40,822	52,857	62,024	70,967	76,319	79,662	82,593	82,765	85,112	XXX	XXX
3. 2006	XXX	20,290	37,181	49,086	57,966	64,843	69,334	73,179	76,329	73,725	XXX	XXX
4. 2007	XXX	XXX	17,515	35,482	45,653	56,479	64,055	67,609	71,293	74,416	XXX	XXX
5. 2008	XXX	XXX	XXX	19,380	38,019	50,319	60,024	67,384	71,990	74,842	XXX	XXX
6. 2009	XXX	XXX	XXX	XXX	19,091	36,645	48,417	56,463	63,432	67,495	XXX	XXX
7. 2010	XXX	XXX	XXX	XXX	XXX	19,703	36,957	46,460	53,782	58,315	XXX	XXX
8. 2011	XXX	XXX	XXX	XXX	XXX	XXX	17,430	33,514	43,755	51,069	XXX	XXX
9. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	19,697	38,016	49,550	XXX	XXX
10. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	24,256	44,600	XXX	XXX
11. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	26,330	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	Bulk and IBNR Reserves on Net Losses and Defense and Cost Containment Expenses Reported at Year End ($000 omitted) 1 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014
1. Prior	96,905	77,567	68,222	49,495	45,834	28,729	26,380	28,375	24,899	18,671
2. 2005	56,289	32,827	21,723	17,082	15,334	11,797	9,852	6,736	8,758	7,603
3. 2006	XXX	61,684	37,543	26,816	25,581	23,766	19,682	13,468	4,334	3,899
4. 2007	XXX	XXX	59,411	36,736	24,697	23,681	18,592	14,467	15,570	14,849
5. 2008	XXX	XXX	XXX	56,646	36,686	30,488	25,825	17,668	15,097	9,357
6. 2009	XXX	XXX	XXX	XXX	55,732	38,474	28,429	19,780	15,299	12,495
7. 2010	XXX	XXX	XXX	XXX	XXX	50,325	38,646	27,262	24,256	19,385
8. 2011	XXX	XXX	XXX	XXX	XXX	XXX	56,500	42,644	34,781	26,693
9. 2012	XXX	XXX	XXX	XXX	XXX	XXX	XXX	55,432	42,164	35,186
10. 2013	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	52,304	37,235
11. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	56,507

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status	Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken 2 Direct Premiums Written	 3 Direct Premiums Earned	4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Incl. in Col. 2)
1. Alabama AL	N								
2. Alaska AK	N								
3. Arizona AZ	N								
4. Arkansas AR	N								
5. California CA	N								
6. Colorado CO	N								
7. Connecticut CT	L	550,414	617,757	12,162	73,006	401,542	683,798	80	
8. Delaware DE	Q								
9. District of Columbia DC	N								
10. Florida FL	N								
11. Georgia GA	N								
12. Hawaii HI	N								
13. Idaho ID	N								
14. Illinois IL	L								
15. Indiana IN	N								
16. Iowa IA	N								
17. Kansas KS	N								
18. Kentucky KY	N								
19. Louisiana LA	N								
20. Maine ME	L	136,895,748	135,429,518	17,526,410	84,642,706	78,955,065	303,264,437	191,520	
21. Maryland MD	L	94	4			3	3		
22. Massachusetts MA	L	1,140,369	1,285,173	80,884	906,261	1,192,122	1,352,541	280	
23. Michigan MI	N								
24. Minnesota MN	N								
25. Mississippi MS	N								
26. Missouri MO	N								
27. Montana MT	N								
28. Nebraska NE	N								
29. Nevada NV	N								
30. New Hampshire NH	L	3,975,583	3,823,545	262,920	2,190,749	2,485,303	3,806,033	1,025	
31. New Jersey NJ	L	260,187	164,780		93,856	167,595	139,273		
32. New Mexico NM	N								
33. New York NY	L	990,075	891,842	77,274	379,509	579,698	1,286,988	80	
34. North Carolina NC	N								
35. North Dakota ND	L								
36. Ohio OH	L								
37. Oklahoma OK	N								
38. Oregon OR	N								
39. Pennsylvania PA	L	69,357	73,570		67,640	146,206	194,511	5	
40. Rhode Island RI	N								
41. South Carolina SC	N								
42. South Dakota SD	N								
43. Tennessee TN	N								
44. Texas TX	N								
45. Utah UT	N								
46. Vermont VT	L	762,906	708,350	46,680	372,839	616,968	893,132	105	
47. Virginia VA	L	2,413	1,045			680	680		
48. Washington WA	L								
49. West Virginia WV	N								
50. Wisconsin WI	N								
51. Wyoming WY	N								
52. American Samoa AS	N								
53. Guam GU	N								
54. Puerto Rico PR	N								
55. US Virgin Islands VI	N								
56. Northern Mariana Islands MP	N								
57. Canada CAN	N								
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0	0	0
59. Totals	(a) 14	144,647,146	142,995,584	18,006,330	88,726,566	84,545,182	311,621,396	193,095	0

DETAILS OF WRITE-INS

58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 thru 58003+ Line 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Insert the number of "L" responses except for Canada and Other Alien.

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

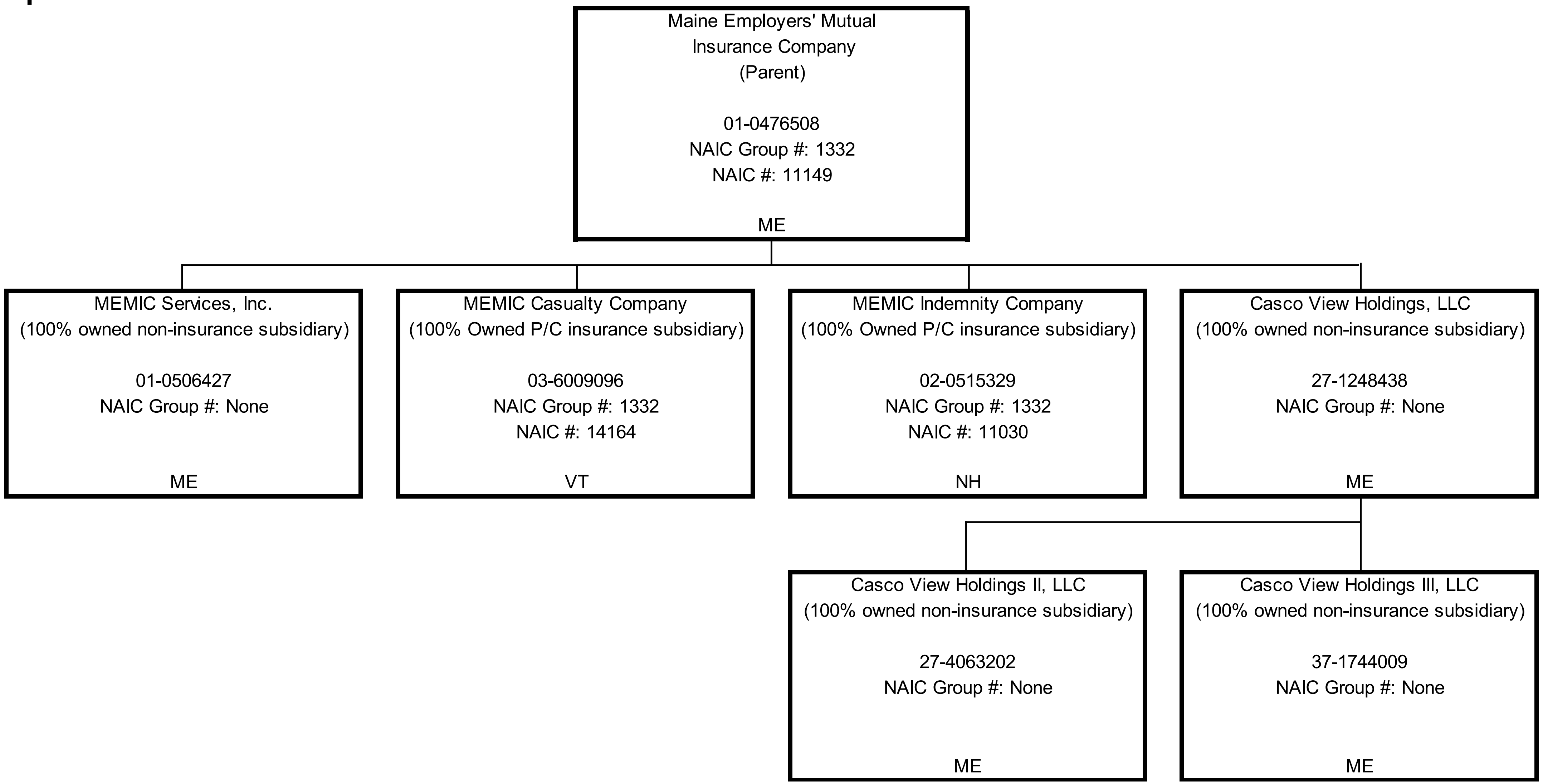
Explanation of Basis of Allocation of Premiums by States, etc.

Direct written and earned premium, paid losses, incurred losses unpaid and finance charges are directly allocated to the states where the policy coverage is inforce.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

Corporate Structure



2014 ALPHABETICAL INDEX -- PROPERTY & CASUALTY ANNUAL STATEMENT BLANK